

In response to item 4) 26/04/2022 Scottish Parliament meeting with Equinor, Nicola Sturgeon MSP (First Minister) Lobbying Register

BRIEFING FOR THE FIRST MINISTER

MEETING WITH ANDERS OPEDAL, CEO OF EQUINOR

Date (26 APRIL 2022)

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| Key message | <p>We welcome Equinor's significant investment and partnerships in Scotland, especially in relation to our transition to renewable energy. We are keen to understand more about their future ambitions to work with Scotland on energy transition.</p> <p>Energy transition will be covered in our draft Energy Strategy and Just Transition Plan, which will be published for consultation this year and will provide a roadmap for the future of Scotland's energy system to meet our Net Zero targets.</p> <p>This also links to our drive for more renewables to further enhance our energy security and innovations in Carbon Capture, Utilisation and Storage (CCUS).</p> |
| What | To meet with Mr Opedal and discuss Scotland's energy transition and energy security in light of the ongoing conflict in Ukraine. |
| Why | This is Anders Opedal's first official visit to Scotland as CEO of Equinor. He has requested a meeting with the you. This has been recommended as Equinor are significant investors in Scotland, with a focus on floating wind technology. We recommend a short introductory chat with the First Minister to demonstrate Scotland's commitment to the energy transition. We also see this as an opportunity for Equinor to be an early productive partner for our Copenhagen Hub. |
| Who | Anders Opedal – Chief Executive Officer – Equinor David Cairns – Vice President Political and Public Affairs – Equinor Al Cook - Executive Vice President for Exploration & Production Arne Gürtner - Senior Vice President UK & Ireland offshore – Equinor |
| Where | Scottish Parliament – First Minister's Office, 4 th Floor |
| When | 26 April 2022 16:00 – 16:30 |
| Likely themes | Scotland's ambitions in energy transition and reaching net zero. Equinor's investments in Renewables and partnerships in Scotland and how this can support our energy transition |

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| | Energy security in light of the Ukraine conflict and how to accelerate the move to renewable energy |
| Media | <p>FM Comms will send a tweet after the meeting from @ScotGovFM:</p> <p><i>Today First Minister @NicolaSturgeon met with @Equinor_UK CEO Anders Opedal, they discussed Scotland's ambitions in energy transition and reaching net zero as well as accelerating the move to renewable energy.</i></p> <p><i>PIC & tag @Andop68 & @ScotGovNetZero</i></p> <p>Official Support to take a photo at the beginning of the meeting.</p> |
| Supporting official | Frank Strang – Deputy Director, European Relations, Directorate for External Affairs |
| Attached documents | <p>Annex A: Agenda and Summary</p> <p>Annex B: Background on Equinor and Anders Opedal</p> <p>Annex C: Briefing - likely topics to be raised</p> <p>Annex D: Read out from Meeting between Cabinet Secretary for Net Zero, Energy and Transport and Arne Gürtner, Senior Vice President UK & Ireland offshore at Equinor and David Cairns, Vice President Political and Public Affairs at Equinor.</p> |

Summary and Agenda

Summary

This is Anders Opedal's first official visit to Scotland since being appointed as CEO of Equinor in November 2021, and he requested a meeting with the First Minister. We are recommending a short introductory chat as Equinor are serious investors in Scotland and gives you the opportunity to demonstrate Scotland's commitment to the energy transition as well as understand more about Equinor's future ambitions to work with Scotland on Energy Transition and developments within the North Sea.

Equinor's investments and partnerships in Scotland include:

- Hywind Scotland offshore wind farm in 2009 (the world's first floating turbines);
- Mariner oil and gas field; and
- Partnership with SSE for CCUS in Peterhead.

Agenda

This is an in-person meeting to build relation with Equinor's new CEO, Anders Opedal. While there is no set agenda it is likely that the following topics may arise:

- Scotland's ambitions in reaching net zero;
- Equinor's investments and partnerships in Scotland and how this can support our energy transition; and
- Energy security in light of the Ukraine conflict and how to accelerate the move to renewable energy.

The Cabinet Secretary for Net Zero, Energy and Transport met with Arne Grtner, Senior Vice President UK & Ireland offshore at Equinor and David Cairns, Vice President Political and Public Affairs at Equinor on 16 December 2021 to specifically discuss oil & gas policy. A readout of this meeting is attached as Annex D.

Potential sensitivities:

Equinor are the operator in the Rosebank Oil Field, which is due for Final Investment Decision approval by the North Sea Transition Authority later in 2022.

Equinor were unsuccessful in the ScotWind leasing round, and are aware that the Scottish Government has had no involvement in the scoring of ScotWind bids. They have received feedback from Crown Estate Scotland. Equinor have indicated they will not be raising ScotWind at the meeting as the lack of success was their fault.

Background on Equinor and Anders Opedal

Equinor

Equinor has significant investments and partnerships in Scotland, from the Hywind Scotland offshore wind field, the world's first floating offshore wind farm, to the Mariner oil and gas field, to their partnership in Peterhead with SSE for carbon capture and storage. They have growing partnerships with companies in Scotland who are supplying other O&G operations around the UK, and have a large office in Aberdeen. They also have significant future ambitions in Scotland as a partner in the energy transition, and with our shared heritage of the North Sea.

On 19th April, Equinor announced its Energy Transition Strategy for its ambition to reach net-zero emissions by 2050, with near- and medium-term decarbonisation and spending targets.

- Their strategy includes halving operational greenhouse gas emissions by 2030 relative to 2015 levels, allocating more than half of annual gross capex to renewables and low-carbon solutions by 2030 and reducing net carbon intensity—including scope three emissions—by 20pc by 2030 and 40pc by 2035.
- It has made nearly half of the reductions needed to hit the 2030 target through a combination of portfolio optimisation and energy efficiency measures. In the long term, the firm will use offsets to reach net zero and has established its own quality criteria based on the Oxford Principles for Net Zero Aligned Carbon Offsetting.
- Equinor CEO Anders Opedal said *“Our energy transition plan is based on actions. We believe it demonstrates that we have the right strategy, ambition level, capabilities and track record to be a leading company in the energy transition while ensuring long-term shareholder value creation and competitiveness,”*.

List of attendees

Biographies:



Anders Opedal, CEO Equinor

Anders Opedal became Chief Executive Officer (CEO) of Equinor in November 2020 following various roles from procurement to technology.

Opedal holds an MBA from Heriot-Watt University and a Masters degree in Engineering from the Norwegian Institute of Technology.



David Cairns, Vice President Political and Public Affairs – Equinor

David Cairns has been Vice President Policy and Public Affairs Global at Equinor since August 2019, and is responsible for Equinor's UK Government relations. Before joining Equinor, David was the British Ambassador to Sweden (2015-19) and the Foreign and Commonwealth Office's Director for the Nordic Baltic Network.



Al Cook, Executive Vice President for Exploration & Production International - Equinor

Cook joined Equinor in 2016. He comes from the position of Executive Vice President Global Strategy & Business Development (GSB), which he had since May 2018. He started as SVP in Development & Production International overseeing operations in Angola, Argentina, Azerbaijan, Libya, Nigeria, Russia and Venezuela. He joined from BP, where he was Chief of Staff to the CEO.



Arne Grtner, Senior Vice President UK & Ireland offshore – Equinor

Arne Grtner is Senior Vice President UK & Ireland offshore at Equinor. Based in Equinor’s UK operations headquarters in Aberdeen, Mr Grtner leads the organisation supporting the Norwegian energy giant’s UK and Ireland upstream activities. That includes the Mariner development and Rosebank. Arne is also the co-chairman of Oil & Gas UK

Briefing - likely topics to be raised

1. Highlight Scotland's Net Zero ambitions

- Scotland has the most ambitious legislative framework for emissions reduction in the world and this is underpinned by a legal commitment to deliver a just transition.
- Our landmark 2019 Climate Change Act sets a target of net-zero emissions of all greenhouse gases by 2045.
- Our 75% target for 2030 goes far beyond what the Intergovernmental Panel on Climate Change (IPCC) Special Report says is needed globally to prevent warming of more than 1.5 degrees.
- Our emissions are down by over 50% (since the 1990 baseline), and we continue to outperform the UK as a whole in delivering long-term reductions.
- Our 2022-23 Budget sets out record levels of investment to address the climate emergency and deliver a just transition to net zero, including the first £20m of our £500m Just Transition Fund.
- Our updated Climate Change Plan sets out a comprehensive, detailed and ambitious policy package. Our focus is on delivering this.
- Higher UKG ambition is also needed to unlock reserved issues, including support for the development of fully sustainable security of electricity supply from zero carbon sources and the diverse energy system we need to decarbonise heat and transport.

Energy Strategy and Just Transition

- Our draft Energy Strategy and Just Transition Plan (ESJTP) will be published in Autumn 2022 and will be critical to delivering on our Net Zero Pathway, providing a detailed road map showing who needs to deliver what and by when in order to deliver on our targets.
- The ESJTP will take a whole-system view of how the sector must evolve to drive our transition to net zero, with a specific focus on actions needed to meet our 2030 interim target.
- We are committed to working across society to deliver lasting action that secures a just transition to climate resilience and net zero for Scotland
- On 7 December, Parliament overwhelmingly voted to endorse the importance of delivering a just transition for Scotland, and our response to the work of the Just Transition Commission.

Oil and gas

- **Sensitivity: Equinor are operator in the Rosebank Oil Field due for Final Investment Decision approval by the North Sea Transition Authority in 2022**
- Climate Change has not gone away. The science is clear that the world cannot go on extracting fossil fuels indefinitely if the necessity of limiting global warming to 1.5 degrees is to be achieved. We cannot in good conscience ignore that.
- In relation to oil and gas fields, already partially sanctioned, and to the licensing requirements of new fields, if we say the answer to our current reliance on oil and gas for jobs and energy is to keep opening new oilfields, we don't have sufficient imperative to develop alternatives quickly enough. Instead we become fixed in a cycle of dependency.
- We must focus on how to accelerate the development of new sources of energy, with associated new jobs so that we can move away from oil and gas more quickly, with a presumption as far as possible against new development.
- I made clear the concerns on the licensing of new fields, including those already sanctioned, in writing to the PM in August, whose Government currently holds powers over such decisions – calling for rigorous climate compatibility assessments to ensure any proposal is consistent with emissions reduction targets.
- We are undertaking work to better understand Scotland's energy requirements as we transition to net zero, ensuring we support and protect our energy security and our highly skilled workforce whilst meeting our climate obligations.

2. Equinor's investments and partnerships in Scotland

- I welcome Equinor's continued investment in Scotland in our pursuit of our net zero ambitions.
- I am keen to hear about Equinor's plans for future ambitions to work in Scotland in energy transition.

Offshore wind – Equinor Hywind involvement

- **Sensitivity: Equinor were unsuccessful in the ScotWind leasing round, and are aware that the Scottish Government has had no involvement in the scoring of ScotWind bids. They have received feedback from Crown Estate Scotland.**
- Equinor's 30 MW Hywind Scotland, located off the coast of Peterhead, was the world's first commercial floating offshore wind farm.
- Scotland's natural resources, which include strong and consistent wind resource, along with our established expertise in offshore oil and gas, skilled offshore workforce, excellent port structure and strong innovation hub, make

Scotland one of the best places in the world to develop offshore wind and its supply chain.

CCUS - Equinor Peterhead involvement

- Peterhead is Scotland's only flexible gas-fired power station, operating since 1982.
- Situated on Scotland's east coast, the Peterhead site is ideally placed for carbon capture technology, with access to essential CO2 transport and storage infrastructure being developed through the Acorn Project.
- Equinor and SSE Thermal's proposed CCS Power Station formed part of the Acorn Cluster bid in the UK Cluster Sequencing process.
- [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]
- [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]
- Equinor is also partnered with SSE Thermal on 3 projects within the successful Track 1 East Coast CCS Cluster. These include the Keadby 3 CCS Power station, the Keadby Hydrogen power station and the Aldbrough Hydrogen Storage projects.
- The Scottish Government supports the development of CCUS as a common whole-system decarbonisation infrastructure with the flexibility to adapt over time to play a central role across the decarbonisation strategies of key sectors such as heat, industry and power.
- It is clear that CCUS will play an important role in helping us to reach net-zero emissions. Advice from the Climate Change Committee describes CCUS as a "necessity, not an option" to achieve net-zero emissions.
- In October 2021, the UK government failed to award the Scottish Cluster (led by the Acorn Project at St Fergus, of which Peterhead Power Station was a part) Track 1 status in their CCUS cluster sequencing process. The Scottish Cluster was instead designated reserve status.
- We remain committed to supporting the continued growth and development of the Scottish Cluster to ensure that Scotland reaches its net zero goals by 2045. We advised the UK Government that we would help to support the Scottish Cluster, and stand ready to deliver on that commitment.

3. Energy Security

- Whilst security of oil and gas supply is currently not an issue for the UK (as only 4% of the gas and 8% of oil consumed in the UK is supplied directly from Russia) the UK cannot be separated from the rising and inherently damaging price risks facing both domestic and industrial gas consumers across Europe.
- Given recent international events we should be looking to immediately accelerate the transition to renewables and reduce our dependence on oil and gas products.

- We were disappointed not to be involved in the development of the UK Government's Energy Security Strategy, particularly given the important role that Scotland plays in exporting electricity to the rest of the UK.
- We believe that traditional nuclear power is poor value for consumers and, due to the long lead in time for construction, will not provide additional energy security in the immediate term. Renewable energy is the best way to meet net zero.

Draft Read Out: Equinor – 16 December 2021 - Specifically in relation to Oil and Gas policy

Cabinet Secretary for Net Zero, Energy and Transport

Arne Gurtner and David Cairns both of Equinor

Scottish Government Energy Officials

- Equinor outlined their planned investment into the Rosebank oil field due for Final Investment Decision in the coming months – this is a significant investment of £4bn and will have a direct impact on the supply chain and jobs – asking directly what is the SG view of the Project.
- Cab Sec outlined the SG approach to refreshing the energy strategy and just transition plan, and that oil and gas will be a part of the energy mix, pointing also to the current energy demand and supply analysis work that is ongoing which will provide a view on what is Scotland's current energy requirements. Commenting also that the landscape has changed significantly and that any developments that have been sanctioned need to be justified and have a transparent accountability, noting the OGA license process needs to be clearly explained and far more transparent – all future developments will face the same challenge politically and environmentally as Cambo. There needs to be far more transparency on the regulatory process.
- Equinor pointed to Rosebank already being part of the CCC projections and the need to avoid a cliff edge approach, and that new developments will be required to deliver domestic demands and to reduce the reliance on imports.
- Cabinet Secretary noted that there is a wider perception issue that needed to be addressed where developments should only go ahead against our domestic needs. Wider society don't see the industry as being transparent and accountable, including that of the work of the OGA – the regulator should be more transparent and accountable and act as a guardian on delivering our net zero commitments.
- Equinor raised the point that the OGA has stepped up particularly in terms of reducing emission reductions with Cab Sec commenting that this was all process based for the regulator.
- Equinor noted that there is no evidence that shows from here until 2050 that the UK will not deliver less hydrocarbons than what the UK requires for our energy demands.
- Cab Sec commented that the industry needs to have a process that provides both public and political certainty that is required about further developments.
- Equinor noted there is a need to be realistic about the energy transition – industry is moving at pace but there is still a lag between when this activity will ultimately replace future energy and jobs.

- Cab Sec noted that the sector need to keep on justifying its social license to operate, recognising that the sector is and will be a key strength in the energy transition
- Equinor questioned if the spike in gas prices raised issues around our energy security, and updated on the Doggar Bank investment which is helping with the Scottish supply chain – notably Nigg and Star.
- Cab Sec closed noting that the recent months have showed that there is a need to decarbonise quicker which was echoed by Minister Kwarteng. In term of what does this mean for our energy mix – this is still an issue for debate.

| ENGAGEMENT REPORT | |
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| Minister | First Minister (FM), Nicola Sturgeon |
| Type of engagement | Bilateral meeting with Anders Opedal, CEO of Equinor |
| Date | 26 April 2022 |
| Who | Anders Opedal (AO) – Chief Executive Officer , Equinor Arne Gürtner (AG)- Senior Vice President UK & Ireland offshore David Cairns – Vice President Political and Public Affairs Al Cook (AC)- Executive Vice President for Exploration & Production |
| Attending Official | Frank Strang – Deputy Director, European Relations, Directorate for External Affairs |
| Key Points | <p>AO described Equinor as being committed to using its history and innovative know-how to help be a part of the solution in terms of the transition to net zero. They had already taken action in terms of offshore wind, CCS and hydrogen. In as much as they continued to produce oil and gas, this was being decarbonised with emissions around a third of the world average.</p> <p>FM described Scotland's approach including driving up the sustainability of production and importantly investing in alternatives. She said that it was inevitable that any new oil and gas exploration would be under ever greater scrutiny. She mentioned the huge potential for hydrogen exports. She recognised shared goals with Equinor and wanted to identify ways of working together.</p> <p>AO welcomed the fact that his company and the Norwegian and Scottish governments were on the same page. With time he would expect the demand for Oil and Gas to fall but to be replaced by demand for decarbonised fuel and renewables. The FM commented that the faster we were able to develop renewables, the sooner we could reduce fossil fuel consumption.</p> |

AO said in passing they were disappointed about the Scot Wind outcome and were asking themselves what they should do differently in future. They had not lost interest.

It was agreed that the Ukraine crisis did not affect the fundamentals. AO said Equinor had responded to short term needs but would not be tempted to change its longer-term strategies. The FM welcomed this.

AC described their growing expertise in electrifying production including retrofitting existing platforms. They have particular plans for west of Shetland, all in the context of getting to net zero by 2050.

AG said that they were keen to see the agenda as being not just about risks but also about opportunities. He spoke warmly about the 700 staff in NE Scotland many of whom are applying skills learnt for oil and gas in the context of renewables.


FM commented on the need for leadership and welcomed the challenge between industry and government to spur each other to moving faster.

AO said that he would very much welcome further contact perhaps during the FM's visit in late summer. He was keen to show her activity on the ground, such as Northern Lights flexible CCS Project

In response to item 6) 10/05/2022 Meeting with Equinor, Richard Lochhead MSP (Minister for Just Transition Employment and Fair Work), Ministerial engagements travel and gifts

BRIEFING NOTE 4

Meeting with Ms Kristin Westvik – Senior Vice President Operation North, Equinor

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| When | Tuesday 10 May 2022, 11:30 – 12:15 |
| Where | Restaurant Clarion Hotel The Edge |
| Key Messages | <ul style="list-style-type: none"> • We welcome Equinor’s significant investment and partnerships in Scotland, especially in relation to our transition to renewable energy. • Keen to learn more on Equinor’s operations in the High North and how they compare with their activities in Scotland. • Protecting workers and supporting the creation of good, green jobs is a central component of a just transition. • Energy transition will be covered in our draft Energy Strategy and Just Transition Plan, which will be published for consultation this year and will provide a roadmap for the future of Scotland’s energy system to meet our Net Zero targets. |
| Who | <p>Ms Kristin Westvik Senior Vice President Operation North, Equinor</p>  <p>Kristin started her career in Equinor in 1997 and has been responsible for several business areas in the company, both offshore and onshore. In 2018-2019, she led Equinor’s strategic planning for the Norwegian Continental Shelf, including the introduction of the new climate strategy for the company in Norway. Since February 2020, she has served as Senior Vice President of Exploration and Production North, and is responsible for Equinor’s operations from the coast of Møre to the Russian border. Kristin is originally from Stavanger.</p> |

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| Why | <p>Equinor are significant investors in Scotland, with a focus on floating wind technology. The FM met their new CEO on 26 April (see engagement report at Annex C).</p> <p>A chance to strengthen international cooperation and progress in Just Transition; 1) emphasising Scotland's world-leading progress, 2) learning from international practices to improve domestic policy and 3) reaffirming Scottish Government's commitment to international collaborative working.</p> |
| Official Support | <p>[Redacted Regulation 11(2) – (personal data of a third party)] – Senior Policy Advisor, Transition Policy Unit [Redacted Regulation 11(2) – (personal data of a third party)] Arctic Policy Lead, Nordic and Arctic Unit</p> |
| Social Media | <p>@Equinor @Equinor_UK</p> |
| Briefing contents | <p>Annex A – Talking points Annex B – Equinor – Background Info Annex C – FM's meeting with new CEO of Equinor (26 April)</p> |

Oil and gas

Sensitivity: Equinor are the operator in the Rosebank Oil Field, which is due for Final Investment Decision approval by the North Sea Transition Authority later in 2023. Along with Cambo, Rosebank is one of the largest untapped discoveries in UK waters, with an estimated 300 million barrels of oil recoverable, according to some industry estimates. The three Rosebank licences are due to expire at the end of May, though Equinor may seek an extension from the North Sea Transition Authority.

- Climate Change has not gone away. The science is clear that the world cannot go on extracting fossil fuels indefinitely.
- We must focus on how to accelerate the development of new sources of energy, with associated new jobs so that we can move away from oil and gas more quickly, with a presumption as far as possible against new development.
- The FM made clear the concerns on the licensing of new fields, including those already sanctioned, in writing to the PM in August, whose Government currently holds powers over such decisions – calling for rigorous climate compatibility assessments to ensure any proposal is consistent with emissions reduction targets.
- We are undertaking work to better understand Scotland's energy requirements as we transition to net zero, ensuring we support and protect our energy security and our highly skilled workforce whilst meeting our climate obligations.
- **Ask:** *Norway's rich oil and gas heritage – are there learnings or synergies that could be shared as we embark upon the path of a just transition for the oil and gas sector?*
- **Ask:** *What opportunities do you see for emerging industries, building on the skillset of your oil & gas workforce?*
- **Ask:** *I am particularly interested in your operations in the North of Norway. What's the current situation? Are there plans to intensify and expand extraction?*

Equinor's investments and partnerships in Scotland

- I welcome Equinor's continued investment in Scotland in our pursuit of our net zero ambitions.
- As you will know, our First Minister met your new CEO in Edinburgh at the end of April.
- **Ask:** *I am keen to hear your thoughts about Equinor's plans and future ambitions to work in Scotland in energy transition.*

Offshore wind

Sensitivity: Equinor were unsuccessful in the ScotWind leasing round, and are aware that the Scottish Government has had no involvement in the scoring of ScotWind bids. They have received feedback from Crown Estate Scotland.

- Equinor's 30 MW Hywind Scotland, located off the coast of Peterhead, was the world's first commercial floating offshore wind farm.
- Scotland's natural resources, which include strong and consistent wind resource, along with our established expertise in offshore oil and gas, skilled offshore workforce, excellent port structure and strong innovation hub, make Scotland one of the best places in the world to develop offshore wind and its supply chain.
- **Ask:** *Compared to your operations in Scotland, how does offshore wind feature in Equinor's plans for the region you are responsible for?*

Equinor has significant investments and partnerships in Scotland, from the Hywind Scotland offshore wind field, the world's first floating offshore wind farm, to the Mariner oil and gas field, to their partnership in Peterhead with SSE for carbon capture and storage. They have growing partnerships with companies in Scotland who are supplying other O&G operations around the UK, and have a large office in Aberdeen. They also have significant future ambitions in Scotland as a partner in the energy transition, and with our shared heritage of the North Sea.

CCUS - Equinor Peterhead involvement

- Peterhead is Scotland's only flexible gas-fired power station, operating since 1982.
- Equinor and SSE Thermal's proposed CCS Power Station formed part of the Acorn Cluster bid in the UK Cluster Sequencing process.
- In March 2022, SSE Thermal and Equinor submitted a planning application to the Scottish Ministers for a proposed 910MW Peterhead Carbon Capture Power Station project. This is now being considered by the Energy Consents Unit, with a determination likely next year.
- In total, the proposed new station could capture an average of one and a half million tonnes of CO₂ a year.
- Equinor is also partnered with SSE Thermal on 3 projects within the successful Track 1 East Coast CCS Cluster. These include the Keadby 3 CCS Power station, the Keadby Hydrogen power station and the Aldbrough Hydrogen Storage projects.
- The Scottish Government supports the development of CCUS as a common whole-system decarbonisation infrastructure with the flexibility to adapt over time to play a central role across the decarbonisation strategies of key sectors such as heat, industry and power.
- In October 2021, the UK government failed to award the Scottish Cluster (led by the Acorn Project at St Fergus, of which Peterhead Power Station was a part) Track 1 status in their CCUS cluster sequencing process. The Scottish Cluster was instead designated reserve status.
- We remain committed to supporting the continued growth and development of the Scottish Cluster to ensure that Scotland reaches its net zero goals by 2045. We advised the UK Government that we would help to support the Scottish Cluster, and stand ready to deliver on that commitment.

On 19th April, Equinor announced its Energy Transition Strategy for its ambition to reach net-zero emissions by 2050, with near- and medium-term decarbonisation and spending targets.

- Their strategy includes halving operational greenhouse gas emissions by 2030 relative to 2015 levels, allocating more than half of annual gross capex to renewables and low-carbon solutions by 2030 and reducing net carbon intensity—including scope three emissions—by 20pc by 2030 and 40pc by 2035.
- It has made nearly half of the reductions needed to hit the 2030 target through a combination of portfolio optimisation and energy efficiency measures. In the long term, the firm will use offsets to reach net zero and has established its own quality criteria based on the Oxford Principles for Net Zero Aligned Carbon Offsetting.
- Equinor CEO Anders Opedal said *“Our energy transition plan is based on actions. We believe it demonstrates that we have the right strategy, ambition level, capabilities and track record to be a leading company in the energy transition while ensuring long-term shareholder value creation and competitiveness.”*

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| Date | 26 April 2022 |
| Who | Anders Opedal (AO) – Chief Executive Officer Arne Gürtner (AG) – Senior Vice President UK & Ireland offshore Al Cook (AC) – Exec Vice President for Exploration & Production |
| Key Points | <p>AO described Equinor as being committed to using its history and innovative know-how to help be a part of the solution in terms of the transition to net zero. They had already taken action in terms of offshore wind, CCS and hydrogen. In as much as they continued to produce oil and gas, this was being decarbonised with emissions around a third of the world average.</p> <p>FM described Scotland's approach including driving up the sustainability of production and importantly investing in alternatives. She said that it was inevitable that any new oil and gas exploration would be under ever greater scrutiny. She mentioned the huge potential for hydrogen exports. She recognised shared goals with Equinor and wanted to identify ways of working together.</p> <p>AO welcomed the fact that his company and the Norwegian and Scottish governments were on the same page. With time he would expect the demand for Oil and Gas to fall but to be replaced by demand for decarbonised fuel and renewables. The FM commented that the faster we were able to develop renewables, the sooner we could reduce fossil fuel consumption.</p> <p>AO said in passing they were disappointed about the ScotWind outcome and were asking themselves what they should do differently in future. They had not lost interest.</p> <p>It was agreed that the Ukraine crisis did not affect the fundamentals. AO said Equinor had responded to short term needs but would not be tempted to change its longer-term strategies. The FM welcomed this.</p> <p>AC described their growing expertise in electrifying production including retrofitting existing platforms. They have particular plans for west of Shetland, all in the context of getting to net zero by 2050.</p> <p>AG said that they were keen to see the agenda as being not just about risks but also about opportunities. He spoke warmly about the 700 staff in NE Scotland many of whom are applying skills learnt for oil and gas in the context of renewables.</p> <p>FM commented on the need for leadership and welcomed the challenge between industry and government to spur each other to moving faster.</p> <p>AO said that he would very much welcome further contact perhaps during the FM's visit in late summer. He was keen to show her activity on the ground, such as Northern Lights flexible CCS Project.</p> |


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| ENGAGEMENT REPORT | |
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| Minister (or Senior official) | <i>Minister for Just Transition, Employment and Fair Work</i> |
| Type of engagement | <i>Meeting</i> |
| Date | <i>10 May 2022</i> |
| Who | <i>Kristin Westvik, SVP Operations North at Equinor Knut Harald Nygård, Equinor Tone Anita Karlsen, Equinor</i> |
| Key Points | <ul style="list-style-type: none"> • Energy security and clean supply of gas for Europe • Upcoming Equinor report on the socio-economic benefits of CCS investments in Peterhead • Net zero transition and energy security not mutually exclusive • Scottish lessons from production in the UK Continental Shelf and the observation that production is declining, with a clear impetus on ensuring workforce can transition to renewable sector • Concept of a 'skills passport' for workers • Ensuring economic benefits of investments are seen by local communities |
| Actions | N/A |
| Attending Official(s) | <p>[Redacted Regulation 11(2) – (personal data of a third party)], <i>Senior Policy Advisor – Just Transition Policy</i></p> <p>[Redacted Regulation 11(2) – (personal data of a third party)], <i>Senior Policy Officer – Arctic and Nordic Unit</i></p> <p>[Redacted Regulation 11(2) – (personal data of a third party)], <i>Private Secretary</i></p> |

In response to item 7) 17/05/2022 Norwegian Consulate General meeting with Equinor, Angus Robertson MSP (Cabinet for the Constitution External Affairs and Culture) Lobbying Register

BRIEFING NOTE FOR THE CABINET SECRETARY FOR CONSTITUTION, EXTERNAL AFFAIRS AND CULTURE

Tuesday, 17 May 2022

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| <p>Key Messages</p> | <ul style="list-style-type: none"> • Scotland values its longstanding links with Norway. Your contribution to our economy, culture and society is greatly appreciated. • We welcome continued close collaboration on shared areas of interest including sustainable transport, environmental policies and green transition. • We are in the process of opening a new office in Copenhagen. It will have a pan-Nordic remit and will offer further opportunities to deepen Scottish-Norwegian links. |
| <p>Who</p> | <ul style="list-style-type: none"> • Professor Julian Jones - Honorary Consul General, Norwegian Consulate General • Mona Røhne – Consul, Norwegian Consulate General • David Windmill – Retiring Honorary Consul General  <p>Professor Julian Jones was appointed as new Honorary Consul General of Norway in February 2022. Before starting his diplomatic career, Professor Jones held numerous management and leadership posts at Heriot Watt University including Deputy Vice-Chancellor and interim Principal and Vice-Chancellor.</p> <p>Full attendee list is attached at Annex B.</p> |
| <p>What</p> | <p>Attendance at a reception to celebrate Norwegian Constitution Day and thank retiring Honorary Consul General, David Windmill.</p> <p>You have been asked to deliver short closing remarks.</p> |
| <p>Where</p> | <p>Norwegian Consulate General, 12 Rutland Square, EH1 2BB</p> |
| <p>When</p> | <p>Tuesday 17 May 16:00-18:00</p> <p>Due to Parliament Business, you will attend the event briefly from approximately 17:30-18:00. The organisers have been notified.</p> |
| <p>Supporting Officials</p> | <p>[Redacted Regulation 11(2) – (personal data of a third party)] Head of Nordic and Arctic Unit Mobile:[Redacted Regulation 11(2) – (personal data of a third party)]</p> |

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|---------------------------|--|
| Attached documents | Annex A: Core Brief Annex B: Full attendee list Speaking note attached separately |
|---------------------------|--|

CORE BRIEF

ANNEX A

Scottish Government office in Copenhagen

- Scottish Government will open a new office in Copenhagen. It became operational earlier this week.
- [Redacted Regulation 11(2) – (personal data of a third party)], formerly Deputy Director for Investment Finance, has been appointed as Head of Office and will lead this expansion of Scotland’s international network into the Nordic region.
- The office will be co-located with the existing SDI team within the local British Embassy. Similarly to SDI, it will undertake a pan-Nordic remit but Norway will be a priority country.
- The office will be tasked with increasing Scotland’s cultural, commercial and policy visibility in the region, brokering new opportunities for collaboration around the Scottish Government’s priorities for international engagement – net zero and climate action, a sustainable recovery from the pandemic and social wellbeing, among others.
- Collaboration with international partners will be key to promoting a green and just recovery from the pandemic. Existing links around energy, net-zero and environment make the Nordic region one of our key partners.
- The office will also be tasked with increasing cooperation with Copenhagen-based organisations such as the Nordic Council of Ministers and UN agencies.

Norwegian Constitution Day – background note

Norwegian Constitution Day is an official national holiday observed on May 17. Among Norwegians, the day is referred to simply as syttende mai ("seventeenth May"), Nasjonaldagen (The National Day) or less frequently - Grunnlovsdagen (The Constitution Day).

The Constitution of Norway was signed in 1814 in Eidsvoll, declaring Norway an independent nation in an attempt to avoid annexation with Sweden after the devastating defeat in the Napoleonic wars. Norway was under Swedish rule at that time and the Swedes saw the celebration as a provocation. After several attempts, King Carl Johan forbade celebrating the day. This veto triggered a higher level of ambition towards Norwegian independence.

Norwegian Constitution Day is of non-military nature. It is often celebrated in the form of children's parades and marching bands with an abundance of flags forming the central elements of the celebration.

Norway’s reaction to the war in Ukraine

- Following Russia’s invasion of Ukraine, Norway has overturned its longstanding policy of not sending weapons to non-NATO countries that are at war. To date, it has donated three tranches of supplies including military equipment and arms.
- Norway has also been one of the largest donors in humanitarian aid and Norwegian companies were quick to cease investments with Russian government companies, including the energy giant Equinor as well as the Norwegian oil fund.
- In terms of sanctions on Russia, Norway is not a member of the European Union but has followed all five sanction packages introduced by the EU Member States. The fifth sanction package has highlighted a political and economic issue of port closures. Norway has agreed to close its seaports and borders to Russian traffic following the EU’s decision,

however, it excluded Russian fishing vessels, which constitute around 60-62% of Norway's maritime traffic and play a vital role in the country's economy.

- The war in Ukraine has triggered Norwegian government's decision to boost its military spending by additional 3,5 million kroner (€362 million) with extra money being directed at increasing its military presence in the north, particularly in its naval coast guard vessels and as well as civil preparedness.
- The number of Ukrainian refugees expected to arrive to Norway is currently estimated as 45,000 – considerably fewer than the initial figure of 60,000. Norwegian municipalities have established 13 ordinary reception centres, 2 transit centres and 84 emergency centres. Around half of those arriving from Ukraine decides to stay in private accommodation rather than asylum centres.

Key links with Norway

- Norway is the 4th largest contributor of Foreign Direct Investment for Scotland and Scotland's 7th largest export destination, worth £1.1bn (excluding oil and gas) in 2019, up 1.4% from 2018.
- The largest sector for exports in 2018 was energy, which accounted for 25% of all exports.
- Norway is ranked 8th investment partner with Scotland. More than 300 Norwegian companies are present in the UK, of which 100 are situated in Scotland, employing 6,000 people with a Scottish turnover of £2,382m.
- 1,797 Norway-born people resident in Scotland (Census 2011).
- 585 Norwegian students enrolled in Scottish universities in academic year 2019/2020.

Recent ministerial engagement with Norway

- May 2022 – Mr Lochhead's address at the Arctic Frontiers Conference in Tromsø, Norway and meetings in Oslo focused on energy transition and fair work.
- May 2022 – Mr Matheson addressed the Energy Transition Summit in Kristiansand, Norway.
- March 2022 – Deputy First Minister met with the Norwegian Deputy Head of Mission to the UK, Øyvind Hernes

New joint declaration between the UK and Norway

- Last week, the UK and Norway signed a new joint declaration which will allow the two countries to 'boost security, sustainability and prosperity in Europe and beyond'.
- The agreement focuses on seven key areas for collaboration: climate change and environmental issues; research and innovation; culture and education; and strategic dialogue and institutional exchanges.
- The Norwegian Prime Minister, Jonas Gahr Støre, has described the declaration as 'historic for his region' and allowing Norway to cooperate 'more extensively with the UK than any other country in the world'.

Minister Lochhead's visit to Norway (9-12 May) – brief summary

- Minister for Just Transition, Employment and Fair Work, Richard Lochhead, visited Tromsø (Northern Norway) last week to address the Arctic Frontiers conference.
- During the conference, the Minister took part in a panel discussion on energy transition in Scotland and the Arctic. He also met with a number of leading Arctic representatives including the Chair of the US Arctic Research Commission, the Senior Vice President Operation North of Equinor and the Vice-chair of the European Parliament's Foreign Affairs Committee.
- As part of the programme, Mr Lochhead also travelled to Oslo where he had a number of meetings with organisations including NHO, Statnett and NorthConnect.

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| Wightman, Scott, Director External Affairs Department, Scottish Government |
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| Windmill, David, Former Hon Consul General Norway |

CABINET SECRETARY FOR CONSTITUTION, EXTERNAL AFFAIRS AND CULTURE

Speaking Note for the reception at the Norwegian Consulate – 17 May 2022

Introduction

Thank you Julian (Jones, Honorary Consul General) and Mona (Røhne, Consul) for hosting us this afternoon and for inviting me to say a few words. It is a great joy to be here with you all to celebrate Syttende Mai.

Historic links

Scotland and Norway have developed rich, diverse and longstanding bonds dating back centuries.

Every corner of Scotland reminds us of this close relationship – from the Norse origins of many town names in our Highlands and Islands, to the Norges Hus in Dumfries, which served as cultural centre for exiled Norwegians during the Second World War.

These historic connections and shared heritage remain evident in many aspects of our lives and are reflected in cultural and economic partnerships and, of course, a rich network of people-to-people ties.

We deeply value these enduring links with Norway – be it through family bonds, cultural and academic exchanges or our policy and research collaborations.

Continued engagement

As we address the challenges stemming from the pandemic, the climate emergency and the ongoing war in Ukraine, international cooperation and mutual learning are of crucial importance.

And that's why our long and rich friendship with Norway is all the more significant.

Norway is one of Scotland's key international partners. Our countries continue to pool knowledge and build on each other's expertise in a wide variety of sectors – including energy, transport, marine economy and sustainable rural development, to name but a few.

For instance, we are keen to learn from Norway's experience of decarbonising the transport network, including aviation. Norway set a high level of ambition that other nations, including Scotland, are

called to match if we are to accelerate our transition to net zero.

Our Minister for Just Transition Richard Lochhead visited Tromsø last week to address the Arctic Frontiers conference.

He took part in a panel discussion on energy transition in Scotland and the Arctic, before travelling to Oslo for meetings with organisations such as NHO, Statnett and NorthConnect.

The value of increasing Scottish-Norwegian collaboration further across government, business and academia came up in every engagement the Minister had while in Norway.

And the Scottish Government is committed to achieving just that.

We are in the process of opening a new office in Copenhagen. In fact, the Head of Office relocated there earlier this week. The office will work to promote cultural, economic and policy collaboration with our Nordic partners – including Norway.

Our new hub will increase Scotland's footprint in the region, and will open new avenues for our nations to work even more closely together.

Global Affairs Framework

This is just one concrete example of the Scottish Government's continued commitment to internationalism.

Earlier this month, we published our new Global Affairs Framework

It sets out the values and principles that underpin Scotland's international activity and demonstrates the interconnectedness between global and domestic objectives.

The world is currently being tested on whether it supports not just the principles, but also the reality of adopting a rules-based approach to protect the most fundamental values - peace, freedom and prosperity.

These are values and objectives that both Scotland and Norway subscribe to unreservedly.

Thanks to retiring Honorary Consul General

Ladies and gentlemen, before concluding I would like to thank David Windmill for the tireless work he has done for well over a decade to establish and

reinforce many of the Scottish-Norwegian links which I have just mentioned.

In education, business, research, culture and tourism – collaborative relationships between Scotland and Norway have gone from strength to strength. David's help in developing these special relationships has been invaluable.

I am confident that our existing collaborations with like-minded Norwegian partners will successfully continue under Julian's tenure.

On behalf of the Scottish Government and the many Ministers and colleagues he has worked with over the years, I would like to wish David an enjoyable retirement from his Consular duties. I am however confident there will be more opportunities to continue to draw from your experience and enthusiasm.

Thank you and a very happy Constitution Day to you all.

688 words (approximately 4.5 minutes)

In response to item 8) 30/05/2022 Dakota Hotel, Glasgow, meeting with Equinor, Ivan McKee MSP (Minister for Business Trade Tourism and Enterprise), Lobbying Register

MINISTERIAL ENGAGEMENT BRIEFING: MINISTER FOR BUSINESS, TRADE, TOURISM & ENTERPRISE

| | |
|--|--|
| Engagement title | Investor Dinner with Minister Ivan McKee to coincide with the publication of the EY Annual Attractiveness Survey 2022 |
| Engagement timings | Monday 30 May 2022, 18:00 – 20:30 GMT Arrival and drinks from: 18:00 Dinner: 18:00-20:30 |
| Venue and full address | Private Dinner at the Dakota Hotel Glasgow, 179 West Regent Street, Glasgow, G2 4DP |
| Background / purpose | <ul style="list-style-type: none"> • The purpose of this investor dinner is to maintain and strengthen relationships with the most senior contacts amongst a small, carefully selected cohort of our key inward investors. These are investors with whom we have landed key investments recently and / or have important investments in the pipeline. • This informal dinner will present an opportunity for the Scottish Government and SDI to consult with companies that have invested in Scotland to understand what more Government and agencies can do to support and grow their investment, in light of Scotland’s positive FDI performance highlighted in EY’s attractiveness survey (to be published on 31 May 2022). |
| Meeting attendees / Greeting party | <ul style="list-style-type: none"> • David McClelland, Head of Global VC Operations & Managing Director and Country Speaker, Merck KGaA • Rob de-Hooge, Site Director at Dalry, DSM • Geoff Burns, Senior Site Director, Charles River Laboratories • Graeme Shepherd, Director of Operations, Ardagh Glass • David Cairns, Vice President Political and Public Affairs-Global, Equinor • Sarah Cridland, VP Commercial Projects and UK Country Manager, TechnipFMC |
| Supplementary information / Sensitivities | <ul style="list-style-type: none"> • High-level survey results in this briefing are embargoed until these are published by EY on 31 May 2022. • A separate press release and Comms in relation to the EY survey results will be issued by SG Comms on 31 May 2022. |
| Suggested tweet / Media | A photo will be taken at the dinner to publicise the good news of the EY survey if the investors present are amenable |
| Official support and mobile number | <ul style="list-style-type: none"> • Richard Rollison, Director, Scottish Government, Directorate for International Trade and Investment, [Redacted Regulation 11(2) – (personal data of a third party)] • Neil Francis, Interim Managing Director, International Development Scottish Enterprise (SE), [Redacted Regulation 11(2) – (personal data of a third party)] |

Briefing contents

Annex A – *Strategic context / Background*

Annex B – *Suggested points to make / Discussion Topics*

Annex C – *Company Backgrounds including any recent investments by the companies*

Annex D – *Biographies*

Annex E – *ADDITIONAL BRIEFING: Top Lines / Highlights – EY Attractiveness Survey*

ANNEX A

STRATEGIC CONTEXT / BACKGROUND

- This investor dinner is being held to coincide with the publication of EY's Annual Attractiveness Survey 2022 on FDI. It gives the Scottish Government and Scottish Development International the opportunity to thank companies that have invested in Scotland and to further understand what the Scottish Government and its agencies can do to support and grow their investment in Scotland.
- This is an informal dinner with a carefully selected cohort of key existing investors. The Minister is requested to 'host' the event alongside SE's Neil Francis. This involves being present to welcome the investors and interact with them over the course of the dinner.
- In the *Inward Investment Plan* (Oct 2020), we set out a commitment to add 100,000 high-value jobs over the next 10 years to the Scottish economy.
- The EY's annual attractiveness survey will be published on 31 May 2022. In advance of the survey results being published, the Minister and Scottish Government officials attended a pre-brief discussion with EY in relation to the high-level survey results in advance of publication.
- A brief summary of the high-level survey results has been shared in Annex E. Please note that the results are currently **embargoed until 31 May 2022**.
- The initial results are looking very positive for Scotland and back up SDI's results, which were announced at the FDI World Forum event in Edinburgh. Scotland has maintained its position as the most attractive FDI location outside of London, and Scotland's cities are in the top 20 UK cities for investment.

SUGGESTED POINTS TO MAKE / DISCUSSION TOPICS

Short Welcome and EY Survey results

- Scotland's first Inward Investment Plan (IIP) published in October 2020, sets out a strategic approach for attracting investment that aligns with our values as a nation, positioning inward investment to play a key role in the creation of a fair, sustainable, inclusive and low carbon future for Scotland.
- You announced SDI's Results during your opening remarks at the FDI World Forum in Edinburgh: 113 inward investments into Scotland in the operating year 2021/2022, representing a total of 7,641 real living wage jobs.
- The Ernst & Young (EY) Annual Attractiveness Survey 2022 results which are due to be published on 31 May, indicate positive results for Scotland – 122 inward investment projects were secured in Scotland in 2021, up 107 from 2020, maintaining its position as top UK location outside London (see Annex E).
- Opportunity to pick up on the EY survey further to understand investor perceptions of Scotland and what more support we could provide.

General Discussion Points:

Explore growth ambitions and promote Scotland as a destination for further investment

- Highlight the 'Team Scotland' approach Scotland takes to supporting businesses and investors. Encourage them to remain engaged with relevant enterprise agencies
- You are keen to build strong relationships with leading investors in Scotland and want to maintain a strong dialogue
- Scotland's ambitions are around attracting values-led investment which will support our ambitions around net-zero and creating a wellbeing economy

Understand any challenges or barriers faced by companies in Scotland

- Offer your support in any challenges faced by the organisation, outlining our ambitions to make Scotland a great place to do business
- Seek the group's views on what factors continue to make Scotland attractive for their companies, where our competitive advantage may be less strong / eroding,
- Potential discussion around supply chain reshoring – is this happening in their businesses?

Impact of Covid, Brexit and other geopolitical events on how international expansion decisions will be made going forward

- Opportunity to discuss / gain insight into how Covid, Brexit and other recent geopolitical events have changed how international expansion decisions will be made going forwards and for companies to speak with SG first hand.

COMPANY BACKGROUNDS INCLUDING ANY RECENT INVESTMENT BY THE COMPANIES / PIPELINE INVESTMENT

1. Merck KGaA

Company Profile

[Redacted – (Not in Scope)]

2. DSM

Company Profile

[Redacted – (Not in Scope)]

3. Charles River Laboratories

Company Profile

[Redacted – (Not in Scope)]

4. Ardagh Glass

Company Profile

[Redacted – (Not in Scope)]

5. Equinor

Company Profile

- Equinor is a Norwegian national energy operating company. They directly employ 21,000 to develop, oil, gas, wind, solar in over 30 countries worldwide. Equinor are one of the largest offshore operators in the world and are significant driving force in transition from hydrocarbons to renewable forms of energy including an active approach to innovation and investment in new technology.
- Equinor is focused on carbon reduction and aims to be near net zero by 2050.
- Equinor's strong technology base and ability to apply new technologies constitute a competitive advantage for them. Each year, Equinor spends around NOK 2.8 billion on research and technology development, split between internal and external activities.
- Equinor annual revenue for 2021 was \$90.924B, a 98.45% increase from 2020. Annual revenue for 2020 was \$45.818B, a 28.81% decline from 2019.
- The company is the second biggest taxpayer in the world ahead of Apple, Amazon or Meta (Facebook).
- Equinor are keen to build a 'Norway-Scotland bridge' to engage directly in discussions with Scotland at SG (to include SE) focussed on energy transition

Equinor – North Sea Projects (Current and Proposed)

1) Mariner project: This was the digital front runner in the North Sea using technology to provide safe and efficient production. The project has a 30-year life to 2050. [Redacted Regulation 10(5)e – (confidentiality of commercial information)]. Mariner is located East of Shetland and has its design and operations base in Equinor UK office in Aberdeen. Mariner has created 700 full time jobs in Scotland.

2) Dogger Bank: Dogger Bank is a joint venture between SSE Renewables (40%), Equinor (40%) and Eni (20%). Dogger Bank will be the world's largest offshore wind farm, capable of producing 3.6GW of electricity, enough to power 5 million homes, or about 5 per cent of total UK demand.

3) Hywind Scotland The world's first floating wind farm, the 30 MW Hywind Scotland pilot park, has been in operation since 2017, demonstrating the feasibility of floating wind farms that could be ten times larger. Equinor and partner Masdar invested NOK 2 billion to realise Hywind Scotland, achieving a 60—70% cost reduction compared with the Hywind Demo project in Norway. Hywind Scotland started producing electricity in October 2017. Hywind Scotland has the highest average wind capacity factor of all UK offshore windfarms at 57.1 %.

4) Rosebank Project (proposed, Confidential): Rosebank is an oil development located in deep water to the west of Shetland, with water depth of around 3,889 feet. The project is currently in feed stage and is expected to start commercial production in 2025. Final investment decision (FID) of the project will be in late 2022. [Redacted Regulation 10(5)e – (confidentiality of commercial information)]. It will involve the drilling of approximately 24 wells and includes FPSO, subsea manifold, and subsea trees. [Redacted Regulation 10(5)e – (confidentiality of commercial information)]

5) Peterhead Carbon Capture Power Station: This is being developed SSE Thermal and Equinor. The proposed plant could become one of the UK's first power stations equipped with a carbon capture plant to remove CO₂ from its emissions and would connect into the Scottish Cluster's CO₂ transport and storage infrastructure, which underpins plans to deliver one of the UK's first low-carbon industrial clusters.

6. TechnipFMC

Company Profile

[Redacted – (Not in Scope)]

BIOGRAPHIES

David McClelland, Head of Global VC Operations & Managing Director and Country Speaker, Merck

[Redacted – (Not in Scope)]

Rob de-Hooge, Site Director (Dalry), DSM Nutritional Products Limited

[Redacted – (Not in Scope)]

Geoff Burns, PhD, General Manager, Charles River Laboratories

[Redacted – (Not in Scope)]

Graeme Shepherd, Director of Operations (Irvine), Ardagh Glass

[Redacted – (Not in Scope)]

David Cairns – Vice President Political and Public Affairs-Global, Equinor



David Cairns was formally the British Ambassador to Sweden and the FCO's Director for the Nordic Baltic Region. After joining the FCO in 1993, David Cairns served in Japan as Second Secretary Commercial and in Geneva as the Head of the World Trade Organisation (WTO) Section. He has also held a number of positions based in London.

Sarah Cridland – VP Commercial & Subsea Projects – UK, Mediterranean & Caspian and Country Manager UK, TechnipFMC

[Redacted – (Not in Scope)]

ADDITIONAL BRIEFING: Top Lines / Highlights – EY Attractiveness Survey 2022 [Embargoed until Monday 31 May 2022]

- 122 inward investment projects were secured in Scotland in 2021, up 107 from 2020, maintaining position as top UK location outside London
- Scotland outpaced UK and Europe, increasing projects secured by 14% compared to +5.4% in Europe and +1.8% across the UK
- Scotland's perceived attractiveness to inward investors as UK's top FDI location grows to record 15.8%, up from 7% pre-pandemic in 2019
- Scotland's share of all UK FDI projects rises to its highest in the past decade, securing 12.3% of projects in 2021, up from 11% in 2020
- Scotland's strength in high-value, high-growth industries like digital and utilities/cleantech, and an increase in manufacturing production FDI, bodes well for the future
- Edinburgh, Glasgow and Aberdeen remain in the Top 10 locations outside of London for attracting projects. Edinburgh ranked equal first with Manchester, with Dundee and Livingston also making the Top 20
- Edinburgh secured 17% of digital projects. Glasgow secured 6 business services projects, which is the largest number in this area behind London.

- Top 20 Scottish cities:

| City | Position in 2022 Survey | No. of Projects in 2021 Survey |
|------------------------------|---|--------------------------------|
| <i>Glasgow</i> | 4 th (unchanged from 2020) | 23 (unchanged from 2020) |
| <i>Edinburgh</i> | 1 st outside London (joint position with Manchester) | 31 (36 in 2020) |
| <i>Aberdeen</i> | 8 th (joint position with Cambridge) | 14 (13 in 2020) |
| <i>Dundee and Livingston</i> | 15 th (joint position for both cities) | 7 |

- On jobs, 4 leading sectors generated inward investment projects in Scotland:
 - Digital / Tech – 33 Projects
 - Utility supply – 18 Projects
 - Business services (awaiting figures)
 - Machinery and Equipment – 14 Projects
- Digital projects in Scotland rose by 73.4% whilst digital projects across Europe reduced by 7%. The result of a rise of digital projects sees Scotland reach 2nd place in UK only behind London, but ahead of the South-East England region. So, Scotland vs London now in the Digital / tech sector.
- R&D projects declined slightly – slipping to 3rd place, however, Scotland ranked 2nd for R&D FDI projects.
- The US clearly remains the single big originator of FDI projects in Scotland. US projects – 36 – represented 29.5% of projects in Scotland against 24% for the UK. Spain was 2nd with 9.8% projects, whilst Germany was 3rd with 6.6% projects.

Minister for Business, Trade, Tourism and
Enterprise Ivan McKee MSP



Scottish Go
Riaghaltas na h-Alba
gov.scot

vernment

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of a third party)]

E: [Redacted Regulation 11(2) – (personal data
of a third party)]

David Cairns
Vice President Political and Public Affairs-
Global Equinor
[Redacted Regulation 11(2) – (personal data of
a third party)]

23 June 2022

Dear David,

I wanted to write to thank you for attending the recent investor dinner held in Glasgow on 30 May. As a valued investor, it was my pleasure to have you take part in this important discussion and to recognise and thank you for the commitment you have made by investing in Scotland.

In light of the publication of the latest [EY Annual Attractiveness Survey Scotland 2022](#) results, which highlighted Scotland's strong FDI performance, I found our conversation to be incredibly useful to help deepen my understanding of what more the Scottish Government and our enterprise agencies can do to support existing investors and continue to attract further investment.

I would like to reaffirm my commitment to ensuring that the Scottish Government, supported by our enterprise agencies, has meaningful engagement with our key investors. Taking a Team Scotland approach, I am keen to ensure this dialogue continues.

Thank you again for your ongoing support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ivan McKee', with a long horizontal flourish underneath.

IVAN McKEE

In response to item 11) 16/06/2022 Video conference with Equinor, Michael Matheson MSP (Cabinet Secretary for Net Zero Energy and Transport), Ministerial engagements travel and gifts

1. Briefing for the Cabinet Secretary for Net Zero, Energy and Transport

**MEETING WITH DAVID CAIRNS, VICE PRESIDENT OF EQUINOR
16 June 2022, 09:00-09:30**

| | |
|-----------------------------|---|
| Key Message | <ul style="list-style-type: none">• The Scottish Government expects offshore wind, both fixed and floating, to play a significant role in our energy transition, and recognises the huge economic opportunity attached to commercial scale development.• The Scottish Government is a strong advocate for the development of Carbon Capture Utilisation and Storage (CCUS). We believe Scotland is uniquely positioned to deploy this technology on an industrial scale. |
| Who | David Cairns , Vice President, Equinor |
| What | MS Teams Meeting |
| Why | <p>Mr Cairns wrote to Minister Forbes on 18 May 2022 thanking you for your support on a media release relating to Peterhead Carbon Capture Power Station, and offering to meet to discuss this and other investments by Equinor in Scotland.</p> <p>Due to previous engagements with Equinor, it was agreed that you would meet Mr Cairns to discuss Equinor's investments.</p> |
| Where | Microsoft Teams |
| When | Thursday, 16 June 2022 9:00-9:30 |
| Supporting Officials | [Redacted Regulation 11(2) – (personal data of a third party)] CCUS Policy Officer |
| Briefing | Annex A: Meeting Notes – Equinor Projects in Scotland (pg 2) Annex B: Top Lines (pg 5) Annex C: Biography (pg 13) |

EQUINOR PROJECTS IN SCOTLAND

Peterhead CCS

- On 11 May 2021, SSE Thermal and Equinor unveiled plans to jointly develop a new low-carbon power station at Peterhead, which could become one of the UK's first power stations equipped with carbon capture technology.
- On 01 March 2022, a section 36 application seeking consent for construction and operation of Peterhead CCS was formally lodged with the Energy Consents Unit.
- The application covers a low carbon combined cycle gas turbine (CCGT) generating station with a capacity of up to 910 megawatts gross electrical capacity, including post-combustion carbon capture plant and works to the existing cooling water, natural gas and electrical grid connections and ancillary works on land at and in the vicinity of the existing Peterhead Power Station Site.
- The existing Peterhead Power Station's capacity will be reduced from 1,180 MW to around 300 MW and will remain available to operate alongside the new low carbon CCGT generating station. However, it is only expected to operate if grid demand cannot be fulfilled by the new generating station.
- The Peterhead site is ideally placed for carbon capture technology, with access to essential CO2 transport and storage infrastructure being developed through the Acorn Project.
- The Energy Consents Unit formally consulted Aberdeenshire Council, and statutory and other consultees, regarding the application for consent on 1st April 2022. Notices have been placed in national and local newspapers inviting representations from members of the public regarding the proposal. Aberdeenshire Council have until 1st August 2022 to respond to the Scottish Ministers, unless an extension is agreed.
- Peterhead CCS has been identified as an eligible project in Phase 2 of BEIS' cluster sequencing process. It will now be evaluated as a potential Phase 2 deployment project. Individual emitter projects selected in Phase 2 will have the first opportunity to be considered to receive government support.

HyWind Scotland

- Equinor's 30 MW HyWind Scotland, operational since 2017, is the world's first floating offshore wind farm. We recognise the reputational benefit this has brought for Scotland.
- HyWind Scotland promised to deliver "learning for Scotland" in terms of floating wind and the utilisation of the technology to decarbonise Oil and Gas. However, Scotland has benefitted very little from the development so far.
- Most of the learning for floating technology from this project has now been taken forward for the new HyWind Tampen project being developed by Equinor in Norwegian waters.

ScotWind

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Equinor's UKCS offshore oil and gas activities

Mariner Field

- Equinor are the operator of this heavy oil field located 100 km East of Shetland.
- Mariner is Equinor's first operated asset in the UK, - the development has been praised for its use of offshore digital workers, automated drilling and digital twin technologies to improve costs, including the use of Echo, a digital copy of the platform, to deliver safe and efficient solutions. First oil from the field was announced in 2016. Wood Mackenzie have estimated that the field is expected to produce more than 300 million barrels of oil over the next 30 years.
- Equinor have stated that the field employs over 500 people, offshore and onshore, contractors included - with contracts worth more than USD 1.3 billion awarded, it will support a significant level of investment and jobs in the UK supply chain for many years to come.

Rosebank Field

- Equinor have a 40% stake as operator of this oil and gas field. This is one of the UK Continental Shelf's largest remaining oilfields (the field also contains reserves of gas), Rosebank was discovered in 2004 and lies about 80 miles north-west of Shetland. The field is estimated to hold about 240 million barrels of oil equivalent.

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

On 8 April Equinor confirmed push back of Rosebank sanction to 2023 – the Field was due for approval May 2022.

- An Equinor spokesperson said: "We have a close dialogue with UK authorities on the next steps and expect FID next year."
- The three Rosebank licences are due to expire at the end of May, though Equinor may seek an extension from the North Sea Transition Authority (as per normal licensing governance).

In May Equinor confirmed its exit from Russia led to a \$1.08bn impairment; reporting also pre-tax profits for the first three months of the year of \$17.2 billion off the back of increased energy prices.

- In response to the energy crisis in Europe Equinor has increased and optimised its production in order to deliver more gas.
- Equinor CEO Anders Opedal said: "With an energy crisis in Europe, Equinor's top priority is securing safe and reliable deliveries. Strong operational performance and good regularity gave high production in the quarter. We have optimised the gas production to deliver higher volumes..." .

TOP LINES**CCUS**

- The Scottish Government supports the development of CCUS as a common whole-system decarbonisation infrastructure with the flexibility to adapt over time to play a central role across the decarbonisation strategies of key sectors such as heat, industry and power.
- It is clear that CCUS will play an important role in helping us to reach net-zero emissions. Advice from the Climate Change Committee describes CCUS as a “necessity, not an option” to achieve net-zero emissions.
- The development of strategically located CCS infrastructure in Scotland’s industrial clusters in Grangemouth and the North East could protect and ensure the just transition for important domestic industries into a low-carbon future, protecting jobs and utilising existing skills.
- Our Climate Change Plan update outlines an envelope of 3.8 million tonnes of negative emissions required to meet our 2030 milestone and 5.7 million tonnes in 2032; this cannot be delivered without CCUS.
- Scottish Government economic scenario analysis shows that, in 2045, Scottish GDP could be 1.3-2.3% (£3.8Bn-£6.7Bn) higher in scenarios with CCUS, than without.
- Ensuring the Scottish Cluster carbon capture and storage project is deployed as soon as possible is critical to supporting net-zero, supply chain growth and economic benefit in Scotland.
- The project has the potential to support an average of 15,100 jobs between 2022 and 2050, with a peak of 20,600 jobs in 2031.
- The Cluster’s Acorn project is uniquely placed to be the least cost and most deliverable opportunity to deploy a full-chain CCS project in the UK.
- We do not hold all the necessary legislative and regulatory levers needed to support the Scottish Cluster, as they are not devolved. UK Government support including access to BEIS business models is essential to providing the certainty and support required to accelerate the Scottish Cluster project.
- We are working constructively with the UK Government to ensure the Scottish Cluster has the certainty it needs to continue its development. To this end, we have continued to advocate for the cluster in our engagement, and have offered £80 million from our Emerging Energy Technologies Fund.
- To date, BEIS has indicated that the Scottish Cluster will need to participate in Track-2 of the cluster sequencing process rather than be accelerated on a Track-1 timetable.
- On 08 April 2022, the Secretary of State for Business, Energy & Industrial Strategy Kwasi Kwarteng, and UK Government for Scotland Minister Malcolm Offord, announced publication of the CCUS Investor Roadmap.

- The Roadmap does not signal any significant changes in UK Government approach to supporting the deployment of CCUS in UK. However, it does reiterate the UK Government’s commitment to supporting four CCUS clusters to be operational by 2030. It does not include any new commitments to support the Scottish Cluster accelerate its deployment, but does acknowledge its status as a “reserve cluster”.

OFFSHORE WIND

- Our Offshore Wind Policy Statement sets out the Scottish Government’s ambitions for offshore wind in Scotland, including an ambition to achieve 8-11 GW of offshore wind in Scotland by 2030. This recognises that deployment must increase significantly if we are to meet our climate change targets.
 - Scotland’s seas offer great opportunities for the sustainable development of offshore wind and are an important part of the green recovery and transition to net zero.
 - Scottish Ministers have made clear, time and again, that they will use every lever at their disposal to maximise economic returns for the offshore wind sector here in Scotland.
- The results of ScotWind, the seabed leasing process for offshore wind, managed by Crown Estate Scotland (CES), were announced on 17 January 2022. Lease option agreements with all successful applicants are now in place.
 - The announcement outlined the winners of the competitive bidding process over areas of seabed where the next offshore wind projects will be located. This is the first devolved leasing round for offshore wind development in Scottish Waters and the first leasing round in Scotland in a decade.
 - ScotWind is the world’s largest commercial round for floating offshore wind and puts Scotland at the forefront of offshore wind development globally. We already have the world’s largest operating commercial floating wind farm and ScotWind now breaks new ground in putting large-scale floating wind technology on the map at GW scale, offering Scotland a first-mover advantage.
 - The projects given the green light by CES would, if approved, deliver far in excess of our current planning assumption of 10GW of offshore wind. The planning, consenting and funding processes that lie ahead - together with the need to fully consider the views of stakeholders about impact - means that it is not possible to know now exactly what scale of development will be permitted ultimately.
 - ScotWind will deliver c £700m in return for these initial awards alone which we will use to benefit the people of Scotland, particularly by helping to tackle the climate and biodiversity crises and deliver a low carbon society.
 - In addition, ScotWind will deliver several billion pounds more in public benefit via the investment of rental revenues once all the projects become operational.
 - A clearing process is in progress for site NE1. The window for all eligible developers to confirm their intention to apply closed on 10 May. Option agreements with successful applicants will be signed later in 2022.
- The new offshore wind plan for Innovation and Targeted Oil and Gas Decarbonisation (INTOG) process was announced by Crown Estate Scotland on 22 February 2022. Developers will apply for the rights to build small scale innovative offshore wind projects of less than

100MW as well as larger projects connected to oil and gas infrastructure to provide electricity and reduce the carbon emissions associated with those sites.

- We remain fully committed to using every lever within our devolved competence to support and grow the offshore wind supply chain here in Scotland.
 - Applicants to the ScotWind leasing round are required to submit a Supply Chain Development Statement that sets out the level and location of supply chain impact throughout the lifetime of projects.
 - We believe that these Supply Chain Development Statements signify how seriously the Scottish Government takes this issue and, more importantly, will provide certainty of a pipeline of projects to suppliers across Scotland.
- We know that transmission charging remains a barrier, and a particular disadvantage, for projects located in Scotland or Scottish waters.
 - Scottish generators clearly face higher transmission network costs as a result of their location and distance from main GB demand centres.
 - The Scottish Government has long argued that Ofgem needs to be given an explicit remit to help achieve net zero – something that the UK Government has finally acknowledged in its recent Energy White Paper.

SUPPLY CHAIN

- Ministers have been calling for action for some time with little progress being made and now wish to see tangible actions being taken to support the Scottish supply chain.
- As more large scale windfarms are built throughout this decade, we fully expect developers to be engaging early with companies based in Scotland to ensure that key manufacturing contracts do not go to yards overseas.
- Developers and those at the top of the supply chain have a responsibility to ensure that local suppliers have a realistic opportunity to compete for key manufacturing contracts.
- The introduction of a Supply Chain Development Statement by Crown Estate Scotland as part of the ScotWind leasing round will help to release economic benefits for the Scottish economy and we expect developers to honour their commitments.
- We welcome the introduction of a more robust Supply Chain Plan process as part of the CfD auction later this year, and we expect applicants to be engaging with the domestic supply chain from the outset of the process.
- There is considerable on-going work, including the Strategic Infrastructure Assessment (SIA) that was commissioned by the Scottish Offshore Wind Energy Council (SOWEC) to understand how Scotland could capitalise on the economic opportunity resulting from offshore wind. Published on 20th August the SIA will now be taken forward by SOWEC, with Mr McKee and Brian McFarlane (SSE) in their capacity as SOWEC co-chairs leading the group to develop an action plan to take forward the SIA's recommendations.
- On 11 May, SOWEC published its Offshore Wind Collaborative Framework Charter. 24 developers have signed up to the Charter, including successful bidders for all 17 ScotWind projects.

- The Charter builds on the 2021 Strategic Investment Assessment (SIA) recommendations adopted by the Scottish Offshore Wind Energy Council (SOWEC), and is a clear way to support and enable developers' collective supply chain commitments. The Collaborative Framework Charter will help forge effective partnerships to deliver on the potential that offshore wind presents in the coming years.
- We are working with SOWEC, ETZ and enterprise agencies to deliver the Offshore Wind Supply Chain Summit, scheduled to take place in Aberdeen on 22 August, hosted by ETZ.
- The focus will be on supply chain opportunities from all offshore wind projects – not just ScotWind.
- The key themes will likely focus around coordination between developers to even out supply chain requirements, growing our indigenous supply chain and attracting new inward investment where there are gaps, as well as ensuring our port infrastructure is utilised in an optimal and collaborative manner.
- This work will be complemented by recent changes to the UKG Contract for Difference Supply Chain Plan process, to ensure greater utilisation of the domestic supply chain. Failure to do so could result in termination of CfD agreements.

ENERGY STRATEGY AND JUST TRANSITION PLAN

- The Energy Strategy and Just Transition Plan, which will be published for consultation in the Autumn, will outline a coordinated vision for Scotland's energy system using a whole-systems approach.
- This plan will establish the energy system's role in delivering our national Just Transition Outcomes and guiding public and private sector activity accordingly.
 - Our work will be based on the National Just Transition Planning Framework, a world-first, which sets out an ambitious approach to working with others on the economic and social impacts of transition.
 - The plan will not only achieve our ambitious emissions reductions targets, but will do so in a way that ensures a positive outcome for all of Scotland, including business, the economy, jobs and skills.
 - Since 2017 we have committed to Net Zero, legislated to eradicate fuel poverty as far as is practical, and published an updated Climate Change Plan providing a detailed, clear and credible pathway to meeting emissions targets over the period to 2032.
 - The Energy Strategy and Just Transition Plan will provide an opportunity to bring the strategy for Scotland's energy sector up-to-date and allow us to respond to new challenges and emerging opportunities.

OIL AND GAS

We have been consistently clear that oil and gas will continue to be part of Scotland's energy mix as we transition to net zero.

- Our focus is now on achieving the **fastest possible, just transition for the oil and gas sector** – one that delivers jobs and economic benefit, ensures our energy security, and meets our climate obligations.

- The principle underpinning is the one already encapsulated in our **Co-operation Agreement** – that unlimited extraction of fossil fuels, or maximum economic recovery in UK policy terms, is not consistent with our climate obligations.
- We recognise that our vision and roadmap for the energy sector can't happen in isolation – **a Just Transition Plan for Energy will be at the heart of our refreshed Energy Strategy**, publishing as one coherent document in 2022.
- To inform the Energy Strategy and Just Transition Plan for Energy we have **announced the award of a programme of work to better understand Scotland's energy requirements** as we transition to net zero and how this aligns with our climate change targets.
- The **oil and gas supply chain is a significant part of the energy transition supply chain**, it is clear that renewable or low carbon jobs cannot replace oil and gas jobs immediately and a managed transition is needed.
- The **knowledge and experience of the oil and gas sector and its supply chain will be very important for developing and investing in essential low carbon technologies**, such as CCUS – a technology that is seen by experts such as the UK Committee on Climate Change and the International Energy Agency as being vital to achieving Scottish, UK and international climate emissions targets.
- Many of the key levers needed to support the oil and gas sector are reserved to Westminster. We seek to work closely with the UK Government to ensure both governments are doing all they can to protect jobs and retain vital skills.
- The Scottish Government will continue to use the devolved levers at our disposal to reduce emissions and meet our climate change targets.

In relation to oil and gas fields, already partially sanctioned, and to the licensing requirements of new fields, if we say the answer to our current reliance on oil and gas for jobs and energy is to keep opening new oilfields, we don't have sufficient imperative to develop alternatives quickly enough. Instead we become fixed in a cycle of dependency.

- We must focus on how to accelerate the development of new sources of energy, with associated new jobs so that we can move away from oil and gas more quickly, with a presumption as far as possible against new development.
- There is currently no evidence to demonstrate that Cambo could or should pass such an assessment, but have been clear (in August letter to the PM) that an assessment should take place to inform the decision that the UK Government will take. This also recognises the reality that it is a decision the Scottish Government is not able to make.
- The Scottish Government has offered to engage further about what this process should involve, to ensure it is credible and commands confidence – so far the offer has not been taken up by UK Government.
- We are undertaking work to better understand Scotland's energy requirements as we transition to net zero, ensuring we support and protect our energy security and our highly skilled workforce whilst meeting our climate obligations.

- We are already investing in the sector's net zero transformation. In addition to our expanded, £75m Energy Transition Fund and £100m Green Jobs Fund, our £500m Just Transition Fund will support the north east and Moray to become one of Scotland's centres of excellence for the transition to a net zero economy.
- Scotland's first Just Transition Plan, being developed for a refreshed Energy Strategy, will set out how the economic and social impacts of transition will be managed.

'WINDFALL' AND INVESTMENT ALLOWANCE TAX ANNOUNCEMENT

We have been clear that a windfall tax should apply to all companies benefiting from significantly higher profits.

- A levy focussed only oil and gas companies, who are disproportionately based in Scotland, means Scottish industry is carrying the weight of UK-wide interventions.
- Oil and gas companies are not the only businesses that have profited during the pandemic and current crisis.
- A windfall tax should apply fairly to all companies benefiting from significantly higher profits.
- This would also ensure that Scottish industry does not carry a disproportionate burden of funding a UK-wide response.

ELECTRICITY NETWORKS

Top Lines

- National Grid ESO has signalled the need for over £7bn investment in new transmission infrastructure in Scotland to meet Net Zero targets.
- It is vital that we continue to work together to enable these critical investments, while ensuring that the regulatory levers continue drive down costs and increase benefits for customers and communities.
- The Offshore Transmission Network Review (OTNR) presents an opportunity for UK and devolved administrations to coordinate effort to improve network infrastructure delivery.
- The Scottish Government has asked for a review of the grid system in the past. We are pleased to see this happen and it is essential that devolved administrations are involved in the decision making process.
- We must be agile in decision making and ensure that the OTNR enables rather than frustrates development.
- TNUoS charges remain a key barrier to Net Zero in Scotland.
- Ofgem's own analysis suggests that by 2040 Scottish renewable & low carbon generators will be the only ones to pay a wider TNUoS charge, with all others include gas generators elsewhere in GB being paid credits.
- In a net zero world, it is counterproductive in the extreme to care more about where generation is situated than what type of generation it is.
- A new approach is needed here, rather than small modifications to methodologies.

Background

Electricity Network Development

- Increased electrification will require significant investment in our electricity infrastructure to maintain resilience and increase the transfer capability between Scotland and the rest of the GB market.

Offshore Networks

- The joint BEIS and Ofgem Offshore Transmission Network Review (OTNR) is intended to make the right tactical interventions to support timely delivery of offshore and associated onshore network infrastructure while ensuring the right balance between environmental, societal and economic costs.
- The Holistic Network Design (HND) is one of the key outputs from this project.
- The output of the HND was delayed from its initial delivery date of January 2021 and is expected to be published in June 2022 and set out a vision for 2030 of the UK offshore and onshore network to meet 40 GW of offshore wind.
- NGENSO has now published the draft HND which has included 10.7GW of Scotwind development. A follow up exercise will include the remaining ~14GW of capacity with remaining contracts updated by Q1 2023.

Onshore Networks

- NGENSO's recent Network Options Assessment (NOA) has signalled the need to invest over £7bn in Scotland's onshore transmission infrastructure if we are to keep on the pathway to net zero. The publication of the final HND in June will coincide with a revised NOA creating a blueprint of network investment required to meet 2030 targets.
- Scottish Government is working with SSEN, SPEN and NGENSO through a Major Network Projects Group to develop a clear understanding of the scale and timing of new transmission investments needed, which will help us plan and resource accordingly.
- Ofgem is leading an Electricity Transmission Network Planning Review (ETNPR) which will consider opportunities to better coordinate, plan and deliver strategic onshore transmission network infrastructure in future.
- The output of this work would be a Centralised Strategic Network Plan (CSNP) which would replace the existing NOA process and result in National Grid taking on more of the strategic network planning activity that is currently undertaken by Transmission Owners.
- The Scottish Government is a member of the ETNPR strategic advisory group and further consultation on this project expected in Spring 2022.

TNUoS Network Charging

- Transmission Network Use of Systems Charges is a cost recovery tool used by National Grid ESO to recover the allowed revenue for the Transmission Owners across GB (National Grid, SPEN and SSEN).
- Revenue is recovered from generation and demand customers across GB. (around £800m is recovered from generators and £2.7bn from demand customers).

Issues with existing charging regime for generators

- Generation that connects to the transmission network in Scotland will face higher charges through TNUoS due to the distance from the bulk of GB demand.
- The charging system was originally designed for a time when large fossil fuel power stations were built close to demand. Today, as we move to a smart, decentralised and renewables dominated energy system there is growing concern that the existing regime is no longer fit for purpose.
- A number of stakeholders have contributed evidence on that clearly set out the flaws and risks associated with the current TNUoS charging system. This has included contributions from Cornwall Insight, NERA Economic Consulting¹, Aurora Energy Research and Renewable Infrastructure Development Group.
- The Scottish Government has repeatedly called for change and we believe that an abundance of comprehensive evidence has been provided over the years by various stakeholders that clearly set out the flaws and risks associated with the current TNUoS charging system.
- In response to Ofgem's recent call for evidence, the Scottish Government has questioned whether the existing methodology is aligned with net zero and has called a full review of TNUoS is that includes the locational element of the charges.

Ofgem TNUoS charges review

- Ofgem published a call for evidence on TNUoS in October 2021 recognising that stakeholders were concerned with the TNUoS methodology and its outputs.
- In February 2022 Ofgem committed to a TNUoS task force that would consider shorter term fixes for issues such as the stability and predictability of the TNUoS charge. The absolute value of TNUoS is not in scope for this work.
- On 30 May, Ofgem provided an update on the TNUoS task force. Following the steps laid out in February 2022, they have stated that progress has been made on the agreed areas of focus which include identifying the root causes of unpredictability of TNUoS charges and an examination of input data for the model used to calculate locational element of the TNUoS charges to ensure they remain cost reflective.

¹ [Assessing the Cost Reflectivity of Alternative TNUoS Methodologies \(nera.com\)](https://www.nera.com/assessing-the-cost-reflectivity-of-alternative-tnuos-methodologies)

BIOGRAPHIES



David Cairns, Vice President, Equinor.

David has been Vice President at Equinor since August 2019, and is responsible for Equinor's UK Government relations. Before joining Equinor, David was the British Ambassador to Sweden (2015-19) and the Foreign and Commonwealth Office's Director for the Nordic Baltic Network. In his career in the Foreign Office he also served in Japan as the Director for Trade and Investment, and in Geneva as the Head of the UK's WTO delegation. He studied Japanese at Oxford, worked in investment banking in

Tokyo and London before joining the FCO, and was Vice-Chairman of the Japan Society (2011-15).

From: [Redacted Regulation 11(2) – (personal data of a third party)]

Sent: Thursday, June 16, 2022 9:43 AM

To: [Redacted Regulation 11(2) – (personal data of a third party)]

Subject: RE: URGENT - Briefing Request - Cab Sec Meeting with Equinor, 16 June 2022 09:00 - 09:30

Hi all

Just finished the meeting with Equinor. Some high level points for us to be aware of:

[Redacted Regulation 10(4)(e) – (Internal communications)]

Regards

[Redacted Regulation 11(2) – (personal data of a third party)]

In response to item 12) 10/08/2022 Video conference with Equinor, Nicola Sturgeon MSP (First Minister), Ministerial engagements travel and gifts

1. FM Briefing – Call with Equinor – 10 August 2022

BRIEFING FOR THE FIRST MINISTER

MEETING WITH EQUINOR

Wednesday 10th August 2022

| | |
|----------------------|--|
| Key message | <ul style="list-style-type: none">• The Scottish Government’s position is clear that unlimited extraction of fossil fuels is not consistent with our climate obligations. This is why we have consistently called on the UK Government, to urgently re-assess all approved offshore oil and gas licenses where drilling has not yet commenced, against our climate commitments.• We recognise that Oil and Gas continues to play an important role in our energy mix, and our economy.• But we must focus on how to accelerate the development of new sources of energy, with associated new jobs so that we can move away from oil and gas more quickly, with a presumption as far as possible against new development.• Scotland’s first Just Transition Plan, being developed for a refreshed Energy Strategy, will set out how the economic and social impacts of transition will be managed. |
| What | Meeting with Equinor who published on 4th August: <ul style="list-style-type: none">• Economic analysis on their Rosebank Oil Field Project• The Environmental Statement on Rosebank Field – now subject to a formal public consultation. |
| Why | Equinor have asked for a call with the First Minister to provide an update on the progress of their Rosebank Field which will be shortly due for Final Investment Decision by the company. |
| Who | <ul style="list-style-type: none">• Anders Opedal, President and CEO, Equinor• David Cairns, Vice President Political and Public Affairs – Global CCOM PPAG,• Jose Frey-Martinez, Chief of Staff, Equinor |
| Where | Virtual meeting – Microsoft Teams |
| When | Wednesday 10th August, at 15:30 |
| Likely themes | Oil and Gas, and offshore licensing |
| Media | N/A |

| | |
|----------------------------|---|
| Supporting official | Andy Hogg, Deputy Director Energy Industries Division, [Redacted Regulation 11(2) – (personal data of a third party)] |
| Attached documents | Annex A - Meeting Summary Annex B – Scotland’s oil and gas statistics Annex C – Equinor Background Annex D – Rosebank Field Annex E – Biographies |

Meeting Summary - ANNEX A

On 4 August Equinor published economic analysis for its Rosebank project – which setting out the following metrics:

- Expected investment of £8.1bn over the life of the multi-million-barrel field – with more than three-quarters of which (78%) will be spent in the UK.
 - Around £4.1bn of which will be spent developing the field, alongside £3.6bn in OPEX, with decommissioning costs estimated around £400mn.
- At peak, Rosebank is expected to employ up to 1,600 direct, full-time equivalent (FTE) jobs, nearly 1,200 of which will be UK-based.
- Estimated GVA amounts to some £24.1 billion over the field's life – or £2.1 billion annually at its peak – equivalent to 1% of the Scottish GDP, according to analysis prepared by Wood Mackenzie and Shetland-based Voar Energy on behalf of the operator.
- Fewer workers will be needed once operational in 2026, Equinor anticipates the need for nearly 300 FTE roles over its 25-year life, 90% of which it says are likely to be UK-based.
- Equinor have also published their Environmental Statement on the field (now out for formal public consultation) with a Final Investment Decision on the project expected in Q1 of 2023.
- Approval from the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) is needed before the project can move to the next stage.

[Redacted Regulation 10(4)(e) – (Internal communications)]

Scottish Government's headline position:

The Scottish Government's position is clear that unlimited extraction of fossil fuels is not consistent with our climate obligations. This is why we have consistently called on the UK Government, to urgently re-assess all approved offshore oil and gas licenses where drilling has not yet commenced, against our climate commitments.

[Redacted Regulation 10(4)(e) – (Internal communications)]

SG OCEA Analysis states:

- The UK overall production is currently 1.5 million barrels per day and Rosebank's expected average additional production is across its (24 years) lifetime will be roughly around 2.8% of UK production. **Equinor's figures above focuses solely on the peak production of the field over 4 years resulting in their estimate that Rosebank could account for around 8% of the UK's oil production.**

On 5 August Campaign group Uplift claimed that investing in the field means that Equinor will pay £834m less in tax to the UKG under the Energy Profits Levy (EPL).

- Greenpeace UK have also said: *"We will fight Rosebank every step of the way, and urge the government to crack on with quick, cheap solutions that will actually help in the cost-of-living crisis and the climate emergency - renewables, home insulation and heat pumps."*
- Greenpeace has already have brought a legal challenge with the Scottish Courts against the North Sea Transition Authority (industry regulator) over the planned Shell Jackdaw development in the North Sea.

Decarbonisation of the Rosebank Field

- Platform electrification is a vital part of cutting emissions in the North Sea and reaching net zero and is a core component of the industry and UKG agreed North Sea Transition Deal.
- Within the NSTD, the oil and gas industry has committed to reduce offshore emissions by 50% in 2030, set on a 2018 baseline.
- Officials understand that Equinor hopes to lower the operational emissions of the project by adapting the FPSO for electrification, using power either from the onshore grid or directly from renewables schemes – with one option potentially being a dedicated floating wind scheme.
- On 4 August Arne Gurtner, senior vice president for UK and Ireland offshore at Equinor stated that Rosebank will be *'one of the most energy efficient production units on the continental shelf – it will already be that without electrification, but we are also committed to bringing electrification forward,'* but that the operator *"has not yet decided on the solution yet..."*

The UK Government has failed to set out a clear policy position on climate checkpoints [the UKG consultation closed on 28 February with an announcement on the Checkpoint expected in early Autumn).

- As such, there is no context to consider the emissions impacts of any development. However, we welcome Equinor's plans to electrify production on the Rosebank Field, reducing emissions from production, which would be an important consideration in the climate compatibility assessment.
- Equinor is an important partner in Scotland's energy transition.
- Scottish Government have previously welcomed Equinor's investment into Scotland in Hywind Scotland, the world's first floating offshore wind farm and Equinor's partnership with SSE to produce power with carbon capture and storage in Peterhead.
- We will continue to work with Equinor to maximise investment across all parts of the energy supply chain to deliver jobs in Scotland.

[Redacted Regulation 10(4)(e) – (Internal communications)]

[Redacted Regulation 10(4)(e) – (Internal communications)]

Mr Gurtner stated *"The project has matured all along from when we first came into the license as operator. We have used somewhat more time to optimise the concept, both commercially but also towards a more low-carbon solution which fits which fits to our own Equinor strategy."* *"The EPL is a very, very important boundary condition which we have been following very closely, but it hasn't directly influenced the project maturation in this phase."*

'WINDFALL' AND INVESTMENT ALLOWANCE TAX ANNOUNCEMENT

While the fiscal regime is reserved to Westminster, I've made clear that I support a windfall tax. But I also made the point that there are companies beyond the Oil & Gas sector making large profits right now.

- A windfall tax should apply fairly to all companies benefiting from significantly higher profits. This would also ensure that Scottish industry does not carry a disproportionate burden of funding a UK-wide response.
- That is why we are calling on the UK Government to extend the windfall tax to all companies benefiting from significantly higher profits through the pandemic and energy crisis – as well as scrapping VAT on energy bills.

Annex B – Scotland's Oil and Gas Statistics

Oil and Gas Production

- In 2019, 93.5% of Scotland's primary energy (encompassing all of Scotland's indigenous production and imports) was oil and gas (62.2% oil, 29.5% gas and 2.5% petroleum products).
- In 2019, Scotland produced an estimated 54.0 million tonnes of oil equivalent (mtoe) of crude oil and natural gas liquids (NGLs) (equivalent to 628 TWh). Scotland accounts for 95.2% of total UK crude oil and NGLs production.
- Scotland produced 23.2 mtoe of natural gas in 2018 (equivalent to 270 TWh), although this has dropped for each of the last three years. It accounts for 62.1% of total UK gas production.
- Oil and gas make up 76.5% of all Scottish consumption. In 2018/19, the approximate sales value of oil and gas produced in Scotland is estimated to have been £25 billion.
- The oil and gas sector on average supports up to 40% of all Scottish jobs directly and across the supply chain. It is expected to generate £16 billion in GVA, supporting 82,000 jobs in 2021.

Reserves

- The North Sea Transition Authority (NSTA) estimate for proven and estimated UK reserves as at end 2020, is over 11 billion barrels of oil equivalent, of which 4.4 billion had been sanctioned.
- The NSTA estimates without the development and discovery of new fields, the current reserves would sustain domestic production from the UKCS to 2030. However, with development production could be sustained for another 20 years.

Emissions from UKCS

- In 2019, 19.2 MtCO₂e GHGs were emitted from upstream oil and gas operations. Emissions from activities in the Scottish zone of the North Sea provides an indicative estimate of around 15.4 MtCO₂e (80%).

Imports and Exports

- Of all of Scotland's primary energy generated via oil and gas, more than four fifths (81.1%) of it was exported in 2019, with only about a tenth (11.5%) domestically consumed.
- Turnover of Scottish offshore oil and gas exports stands at £24.5 billion in 2018, of which £16.0 billion is exported to the rest of the UK and £8.4 billion exported to the rest of the world.
- The proportion of imports in total Scottish oil and gas has risen from 3% in 1998 to 21% in 2019. The proportion of total Scottish Oil and Gas that is exported has remained relatively stable at 88% in 1998 to 81.1% in 2019.

- Domestic production has a lower carbon intensity than a number of potential import substitutes. The NSTA have estimated gas extracted from the UKCS has an average emission intensity of 22 kgCO₂e/boe; whereas imported LNG has a significantly higher average intensity of 59 kgCO₂e/boe.

Annex C – Equinor Background

Background

- Equinor is a Norwegian multinational energy and petrochemicals company with worldwide revenues of \$90.92 billion USD. With nearly 21,126 people employed worldwide in 2021 and approximately 650 employees in the UK.
- They produced on average 2,079 Million barrels of oil equivalent (boe) per day.
- The company is vertically integrated – i.e. it is active in exploration, production, refining, distribution, petrochemicals and trading. Equinor is present in around 30 countries around the world, operating in North and South America, Africa, Asia, Europe - and Norway.
- Equinor have three British onstream projects; Mariner, Utgard and Barnacle. Mariner production began in 2019, with over £6 Billion of investment supporting an estimated 700 jobs.
- Equinor every year typically supplies 20-22 Billion cubic metres of natural gas to the UK which covers over 25 % of UK gas demand. Their Yorkshire storage facility provides around 11% of the UK's storage capacity.

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Recent Developments

- 16th June 2022 – Equinor and Centrica's latest agreement to deliver additional supplies to the UK adds around 1 billion cubic meters (bcm) per year to Equinor's existing, bilateral contract with Centrica and brings the total volume under the contract above 10 bcm per year.

Equinors Energy Transition

- They have an ambition to power 5 Million UK homes by their UK wind farms by 2030.
- Equinor operate three UK offshore wind farms; Dudgeon and Sheringham Shoal, and Hywind Scotland, off the coast of Peterhead, Scotland.
- Hywind Scotland's five turbines came online in 2017 and with 30 MW capacity they can generate enough electricity to power around 36,000 Scottish homes.
- Dogger Bank will be completed in 2026. The 3.6GW project will be capable of providing around 5 million UK homes with renewable electricity, creating around 200 jobs.
- The North Sea region will play a key contribution in Equinor's global ambition to increase its renewables capacity to 12 – 16GW by 2035, around 30 times what it is today.

- In Aberdeenshire in Scotland, they are collaborating with SSE Thermal to develop Peterhead Carbon Capture Power Station which is expected to start operations by 2027.

Annex C – Rosebank Oil Field

Rosebank Oil Field

The Rosebank field is located in the Faroe-Shetland Channel, 125 kilometres from the closest UK coast on Shetland. The field is the largest pre-Field In Development (FID) project in the UK. Production from the Rosebank conventional oil development project is expected to begin in 2025 and continue until 2049.

Production is forecast to peak in 2028 at approximately 92 Thousand barrels per day (kbpd) of crude oil and condensate and 74 Million cubic feet per day (Mmcf) of natural gas. The field is owned by Equinor (40%), Suncor Energy (40%) and Siccar Point (20%). The field is expected to recover 368.7 Million barrels of oil equivalent (Mmboe), comprised of 325.32 Million barrels of oil (Mmbbl) of crude oil & condensate and 260.24 Billion cubic feet (bcf) of natural gas reserves (oil 88.24%, gas 11.76%).

1. Key facts

- The UK overall production is currently 1.5 million barrels per day and Rosebank's expected average additional production is across its (24 years) lifetime will be roughly around 2.8% of UK production. **To note that Equinor's analysis focuses solely on the peak production of the Field over 4 years resulting in their estimate that Rosebank could account for around 8% of the UK's oil production.**
- If 369 Millions of barrels of oil are sold at the average oil price over the past five financial years (\$62.75) this would result in an estimate of £23.1 billion undiscounted value added from oil sold.

2. Economic impact

Rosebank could benefit from the UK Government's £3 billion tax allowance for fields deeper than 3,280 feet and with more than 180 million barrels of reserves, a key factor in the investment decision in the field.

3. Environmental impact

4. [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Annex E – Biographies



Anders Opedal, President and CEO, Equinor – since 2 November 2020

Opedal joined Equinor in 1997. From 2018-2020 he held the position as Executive Vice President Technology, Projects and Drilling. From August to October 2018, he was Executive Vice President for Development, Production Brazil and prior to this Senior Vice President for Development, Production International Brazil. He also held the position as Equinor's Chief Operating Officer. In 2011 he took on the role as Senior Vice President in Technology, Projects and Drilling; where he was responsible for Equinor's NOK 300 billion project portfolio. From 2007-2010 he served as Chief Procurement Officer.

He has held a range of technical, operational and leadership positions in the company and started as a petroleum engineer in the Statfjord operations. Prior to Equinor, Opedal worked for Schlumberger and Baker Hughes.

Education: MBA from Heriot-Watt University and master's degree in Engineering (sivilingeniør) from the Norwegian Institute of Technology (NTH) in Trondheim.



David Cairns, Vice President Political and Public Affairs, Equinor.

After joining the FCO in 1993, David Cairns served in Japan as Second Secretary Commercial and in Geneva as the Head of the World Trade Organisation (WTO) Section. He has also held a number of positions based in London.

From 2015 -2019, David was the UK Ambassador to Sweden. In 2019, David took up his current role as VP President Political and Public Affairs at Equinor.

2. Readout Equinor 10 August 2022

Equinor **Wednesday 10 August, 15:30** **Microsoft Teams**

Present: First Minister
Anders Opedal, Equinor
David Cairns, Equinor
Jose Frey-Martinez, Equinor
SG Officials

- Anders welcomed the meeting to discuss the Rosebank field. The Rosebank Environmental Statement was due to be published on 12 August. Due to OPRED error this was published on 4 August.
- Equinor want to be an energy transition company but they see a clear for continued investment in oil and gas during the transition.
- They are focusing on 3 priority areas to help address concerns: climate change, energy security and just transition.

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

- First Minister welcomed the engagement and acknowledged the approach around addressing environmental considerations. FM outlined the importance of oil and gas companies also considering how to reduce emissions from the use of their products (scope 3 emissions)
- First Minister agreed on importance of oil and gas in just transition, particularly the skills transfer. The transition will not happen overnight. SG position is not currently saying that new drilling should never go ahead but that the Climate Compatibility Checkpoint process should go ahead to ensure consistency with the Paris Agreement. UKG have not set out the CCC process for fields already licensed. Scottish Government are undertaking analysis work as part of the revised Energy Strategy to look at Scotland's energy needs. UKCS is a mature basin and looking at what is required and will consider everything in context of that.
- There is no simple position and want to ensure proper assessment undertaken. Individual field assessments are fine but they need to be considered as part of the bigger picture.
- Anders advised Equinor are an open and transparent company and know there will be a lot of debate around the field, a lot of NGOs are not supportive. The report published by the EIA did not consider geopolitics and the same debate is happening in Norway.
- Norwegian Minister met with EU last week to discuss. They are going to continue engagement with NGOs and politicians.
- First Minister stated that the key decision lies with UKG. Scottish Government are trying to look at production in totality and assess compatibility with the Paris 1.5 degrees. Trying to take a responsible approach as the climate crisis is real.

- Anders asked about differing view on Brexit in Scotland and dialogue between SG and EU on energy.
- First Minister confirmed there continues to be dialogue with the EU particularly around hydrogen as an example. Formal dialogue with the EU is now more complex given UK Govt approach to Brexit.
- Anders asked if there was any advice on Rosebank as they want to avoid a polarised debate.
- First Minister suggested they don't dismiss any opinions and ensure they engage properly and on the totality of the issues this raises. Suggested Equinor may want to encourage UKG to introduce CCC at development phase as this would help make case and demonstrate compatibility.
- It was agreed that engagement would continue.

In response to item 16) 02/05/2023 Video conference with Equinor, Humza Yousaf MSP (First Minister), Ministerial engagements travel and gifts

1. Note of meeting between First Minister & Equinor 020523

Note of meeting between First Minister, Humza Yousaf, and Equinor on 2 May 2023

Attendees:

Humza Yousaf, First Minister

Anders Opedal, CEO Equinor

Arne Gürtner, Senior VP UK and Ireland

David Cairns, VP Political and Public Affairs, Equinor

Kersti Berge, Director, Energy and Climate Change, SG

Andrew Hogg, Deputy Director Energy Industries Division, SG

[Redacted Regulation 11(2) – (personal data of a third party)]

First Minister thanked Anders Opedal for his congratulatory letter on Mr Yousaf's appointment as First Minister. His early engagement with the sector is a clear indication of the important role for oil and gas companies like Equinor in the energy transition. Recognising that decisions on new exploration and production of oil and gas are for the UK Government to make, he invited Equinor to set out their plans for Scotland.

Mr Opedal stressed that the purpose of the call was introductory, to initiate a constructive working relationship. Equinor had started as a Norwegian oil and gas company but had expanded geographically and into renewables, hydrogen and carbon capture. Their approach to Scotland was a microcosm of this reality; investing in oil and gas while also supporting a transition. This maintains jobs and energy security. [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Mr Opedal expects Equinor's next big investment in oil and gas to be at Rosebank. Within Equinor, Rosebank is not being considered in isolation, but as part of a totality of balanced investment in the company's strategic priorities: producing oil and gas with lower emissions through electrification; investing in renewables; and supporting CCUS. In the context of Russia's invasion of Ukraine, Equinor believe that Norway and Scotland both have a duty to support energy security in the rest of Europe.

First Minister set out the importance of ensuring climate obligations are met; recognised the role Scotland plays in global energy security and emphasised the importance of a just transition. He is determined the workers of the North East will not suffer the effects deindustrialisation of the 1980s inflicted on the mining and steel communities. There is huge economic potential in renewables, but it has to be a partnership approach. A Just Transition.

Mr Opedal stressed the importance of a just transition for the employees of oil and gas companies, and also those in the supply chain. This was a good fit for Scottish Government priorities and Equinor was working closely with Scottish Government already.

First Minister emphasised the importance of lowering emissions and hoped Equinor would demonstrate what it was doing to lower emissions and how profit from oil and gas would be invested in renewable alternatives.

First Minister reiterated that he would be firm on climate obligations, but saw Equinor and other energy companies as partners and wanted to take a partnership approach going forward.

Mr Opedal thanked the First Minister for his time and said he was keen to invite him to Norway, though in many senses their work here demonstrates the range of their activity. [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)] Equinor aims to replace cash flow from oil and gas with low carbon profit and as a company also have a Net Zero ambition. The process will take time, but transition is the direction of travel.

Mr Gürtner gave some examples to demonstrate that commitment to transition – [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

First Minister thanked Equinor for the kind invitation to visit Norway and asked them to keep in touch, stating the FM or Ministers would be happy to meet Mr Opedal in person when he next visits Scotland.

[Redacted Regulation 11(2) – (personal data of a third party)]

[Redacted Regulation 11(2) – (personal data of a third party)]

2. Briefing – 02052023 – First Minister – Equinor

BRIEFING FOR THE FIRST MINISTER

Meeting with Equinor CEO Anders Opedal

02/05/2023

| | |
|----------------------------|--|
| Key message | <p>We are committed to a just transition for Scotland’s energy sector and ensuring we take workers with us on our journey to net zero. We will not do to the North East what Margaret Thatcher did to our mining and steel communities.</p> <p>Our focus, as outlined in the draft Energy Strategy and Just Transition Plan, must be meeting our energy security needs, reducing emissions and ensuring a just transition for our oil and gas workforce as North Sea resources decline.</p> <p>Unlimited extraction of fossil fuels is not consistent with our climate obligations and is not the solution to the energy price crisis.</p> <p>Scotland’s natural resources, which include strong and consistent wind resource, along with our established expertise in oil and gas, skilled offshore workforce, excellent port structure and strong innovation hub, make Scotland one of the best places in the world to develop offshore wind and its supply chain.</p> |
| What | Introductory meeting |
| Why | Equinor has requested an introductory call and will provide an update on its Rosebank Field, a final investment decision announcement for which is expected soon. |
| Who | Anders Opedal, President and CEO, Equinor David Cairns, Vice President Political and Public Affairs, Equinor Marit Berger Rosland, lawyer, Equinor |
| Where | Virtual Meeting, Microsoft Teams |
| When | 02 May 2023, 15:30 – 16:00 |
| Likely themes | Oil and gas, and offshore licensing Energy Strategy and Just Transition Plan |
| Media | N/A |
| Supporting official | Kersti Berge, Director, Energy and Climate Change Andrew Hogg, Deputy Director Energy Industries Division [Redacted Regulation 11(2) – (personal data of a third party)] [Redacted Regulation 11(2) – (personal data of a third party)] |
| Attached documents | Annex A - Meeting Summary Annex B - [Redacted Regulation 10(4)(e) – (Internal communications)] Annex C – Readout, FM meeting with Anders Opedal 10/08/22 Annex D- Equinor Background |

| | |
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| | Annex E - Rosebank Field Annex F - Electrification Annex G - Offshore Wind Top Lines Annex H - Biographies |
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Annex A – Meeting Summary

Equinor have requested an introductory call and to provide an update on their progress with their Rosebank Field, a final investment decision announcement for which is due imminently.

Rosebank is waiting on Final Investment Decision, an announcement is expected in the first half of 2023. Rosebank is owned by Equinor (80%) and Ithaca (20%), Equinor recently doubled its share by buying Suncor's UK business, including their 40% stake in Rosebank.

- First oil is expected in 2026, with the field anticipated to have a 25-year lifespan.
- Rosebank is the biggest field waiting on FID and is in comparison twice the size of Cambo. Further detail on the field can be found in Annex F.

On 4 August 2022 Equinor published economic analysis for its Rosebank project – which set out the following metrics:

- Expected investment of £8.1bn over the life of the multi-million-barrel field – with more than three-quarters of which (78%) will be spent in the UK.
 - Around £4.1bn of which will be spent developing the field, alongside £3.6bn in OPEX, with decommissioning costs estimated around £400mn.
- At peak, Rosebank is expected to employ up to 1,600 direct, full-time equivalent (FTE) jobs, nearly 1,200 of which will be UK-based.
- Estimated GVA amounts to some £24.1 billion over the field's life – or £2.1 billion annually at its peak – equivalent to 1% of the Scottish GDP, according to analysis prepared by Wood Mackenzie and Shetland-based Voar Energy on behalf of the operator.
- Fewer workers will be needed once operational in 2026, Equinor anticipates the need for nearly 300 FTE roles over its 25-year life, 90% of which it says are likely to be UK-based.

Equinor published their Environmental Statement on the field in August (which was issued for public consultation between August and September 2022).

- Approval from the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) is needed before the project can move to the next stage.
- OPRED followed up Equinor on a number of areas including:
 - to “clarify how the proposed development will support the various NSTD policies and commitments, identifying what fraction of UKCS emissions the proposed development will contribute in those years that have NSTD commitments, and how the proposed development aligns with Equinor Net Zero ambitions.”;
 - a lack of info on what will happen to the [gas export line](#) for Rosebank, which goes via the Magnus platform, when Magnus is due to cease production in the early 2030s;

- Clarity on how Equinor intends to ensure a viable line is available to avoid flaring or venting of gas, which harms the environment.

Rosebank was discovered in 2004, and is not subject to the UK Government climate compatibility checkpoint.

- Scottish Government has called for the checkpoint to be strengthened and to apply to fields like Rosebank that are not yet in production.
- [Redacted Regulation 10(4)(e) – (Internal communications)]
- The Scottish Government is consulting, through the draft ESJTP, on criteria to include in a strengthened checkpoint.

Electrification of Rosebank

- Equinor have said that Rosebank will be “electrification-ready” when production starts in 2026, but electrification, which would reduce production emissions will likely only be possible around 2030 due to consenting delays.
- Electrification would lower the emissions associated with the production of oil and gas from the Rosebank field, which will already be at the lower end of the UK Continental Shelf (UKCS) operation as older fields are much more emissions intensive than new ones. (UKCS average emissions intensity is 20 kg/boe; Rosebank pre-electrification will be 12 and 3 with electrification from shore, using Equinor data).
- Timelines for electrification will depend on permits and consenting to take a cable from shore to the Rosebank field, or, if Rosebank is to be electrified as part of a wider West of Shetland electrification programme, then the permits and consenting for that.

Previous Engagements

Former FM met with Anders Opedal, Equinor on 10 August 2022 following the publication of the economic analysis for Rosebank. A full readout of this call can be found in Annex C.

Annex B –

[Redacted Regulation 10(4)(e) – (Internal communications)]

Annex C – Readout, FM meeting with Anders Opedal, 10 August 2022

Present: First Minister

Anders Opedal, Equinor

David Cairns, Equinor

Jose Frey-Martinez, Equinor

SG Officials

- Anders welcomed the meeting to discuss the Rosebank field. The Rosebank Environmental Statement was due to be published on 12 August. Due to OPRED error this was published on 4 August.
- Equinor want to be an energy transition company but they see a clear for continued investment in oil and gas during the transition.
- They are focusing on 3 priority areas to help address concerns: climate change, energy security and just transition.
- [Redacted Regulation 10(4)(e) – (Internal communications)]
- First Minister welcomed the engagement and acknowledged the approach around addressing environmental considerations. FM outlined the importance of oil and gas companies also considering how to reduce emissions from the use of their products (scope 3 emissions)
- First Minister agreed on importance of oil and gas in just transition, particularly the skills transfer. The transition will not happen overnight. SG position is not currently saying that new drilling should never go ahead but that the Climate Compatibility Checkpoint process should go ahead to ensure consistency with the Paris Agreement. UKG have not set out the CCC process for fields already licensed. Scottish Government are undertaking analysis work as part of the revised Energy Strategy to look at Scotland's energy needs. UKCS is a mature basin and looking at what is required and will consider everything in context of that.
- There is no simple position and want to ensure proper assessment undertaken. Individual field assessments are fine but they need to be considered as part of the bigger picture.
- Anders advised Equinor are an open and transparent company and know there will be a lot of debate around the field, a lot of NGOs are not supportive. The report published by the EIA did not consider geopolitics and the same debate is happening in Norway.
- Norwegian Minister met with EU last week to discuss. They are going to continue engagement with NGOs and politicians.
- First Minister stated that the key decision lies with UKG. Scottish Government are trying to look at production in totality and assess compatibility with the Paris 1.5 degrees. Trying to take a responsible approach as the climate crisis is real.

- Anders asked about differing view on Brexit in Scotland and dialogue between SG and EU on energy.
- First Minister confirmed there continues to be dialogue with the EU particularly around hydrogen as an example. Formal dialogue with the EU is now more complex given UK Govt approach to Brexit.
- Anders asked if there was any advice on Rosebank as they want to avoid a polarised debate.
- First Minister suggested they don't dismiss any opinions and ensure they engage properly and on the totality of the issues this raises. Suggested Equinor may want to encourage UKG to introduce CCC at development phase as this would help make case and demonstrate compatibility.
- It was agreed that engagement would continue.

Annex D - Equinor Background

Equinor is a Norwegian multinational energy and petrochemicals company with worldwide revenues of £72.8 billion (approx. US\$90.9). With nearly 21,126 people employed worldwide in 2021 and approximately 650 employees in the UK.

- Produce on average 2,079 Million barrels of oil equivalent (boe) per day.
- Are a vertically integrated company – i.e. it is active in exploration, production, refining, distribution, petrochemicals and trading. Equinor is present in around 30 countries around the world, operating in North and South America, Africa, Asia, Europe - and Norway.
- Equinor have three British onstream projects; Mariner, Utgard and Barnacle. Mariner production began in 2019, with over £6 Billion of investment supporting an estimated 700 jobs.
- Equinor every year typically supplies 20-22 Billion cubic metres of natural gas to the UK which covers over 25 % of UK gas demand. Their Yorkshire storage facility provides around 11% of the UK's storage capacity.
- [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Recent Developments

- **16th June 2022** – Equinor and Centrica's latest agreement to deliver additional supplies to the UK adds around 1 billion cubic meters (bcm) per year to Equinor's existing, bilateral contract with Centrica and brings the total volume under the contract above 10 bcm per year.
- **23rd March 2023** – Equinor released its latest annual report, announcing it made approx £18.2 billion (\$22.7 billion) in post-tax profits in 2022, having paid £36 billion (\$45 billion) in corporate taxes globally. Equinor also produce 2 million barrels of oil equivalent per day in 2022, and has reduced emissions by 30% relative to 2015, with the goal of reaching a 50% reduction by 2030.

Equinor's Energy Transition Plan

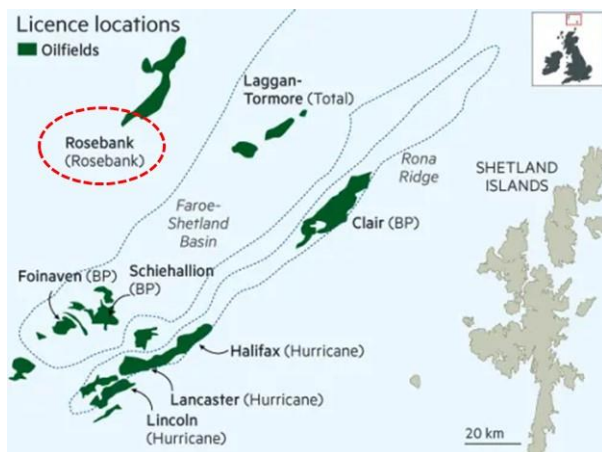
- Equinor commits to: reducing operated greenhouse gas emissions by 50% by 2030, from a 2015 baseline; reducing the net carbon intensity, including emissions from the use of sold products, by 20% by 2030 and 40% by 2035; Allocating more than half of their gross capital expenditure to renewables and low carbon energy by 2030; and deploying renewables, CCS and hydrogen while improved the carbon and methane efficiency of oil and gas production.
- Equinor developed the world's first floating offshore wind farm off the coast of Aberdeen, the 30 MW Hywind Scotland. The windfarm consists of 5 Siemens 6MW turbines, and was fully commissioned in 2017. According to Equinor, the floating wind farm has achieved the highest average capacity factor of all UK offshore windfarms each year since it started production.
- Equinor operate three UK offshore wind farms; Dudgeon and Sheringham Shoal, and Hywind Scotland, off the coast of Peterhead, Scotland.

- Hywind Scotland's five turbines came online in 2017 and with 30 MW capacity they can generate enough electricity to power around 36,000 Scottish homes.
- Dogger Bank will be completed in 2026. The 3.6GW project will be capable of providing around 5 million UK homes with renewable electricity, creating around 200 jobs.
- Equinor where unsuccessful in its bids for the ScotWind leasing round.
- In Aberdeenshire in Scotland, they are collaborating with SSE Thermal to develop Peterhead Carbon Capture Power Station which is expected to start operations by 2027.

Annex E - Rosebank Field

The Rosebank field is located in the Faroe-Shetland Channel, 125 kilometres from the closest UK coast on Shetland. The field is the largest pre-Field In Development (FID) project in the UK.

Production is scheduled to begin in October 2026, and continue until 2051. In total, 299 million barrels of oil and 140 billion cubic feet of gas are estimated to be recovered, amounting to 323 million barrels of oil equivalent (mmboe). Oil production is forecast to peak at 63 thousand barrels per day (kbpd) in 2032, and peak gas production is expected to occur in 2027, at 33 million cubic feet per day (mmcfd). The field is owned by Equinor (80%), who operate the site, and Ithaca Energy (20%).



Key facts

- As is the case with Cambo, Rosebank is located in one of the harshest environments in the UKCS and if sanctioned, will be one of the first UK fields developed in water depth of more than 1,000 metres.
- The Rosebank oilfield is estimated to contain around 323 mmboe that can be extracted over 25 years until 2051.
- Rosebank could contribute on average around 2.4% of total UK production across the lifetime of the field. However, Equinor analysis suggests Rosebank could provide 8% of total UK production at its peak.

1. Economic impact

- Across the lifetime of the field, Rosebank will support significant employment with an average of 450 UK-based full time direct, indirect and induced jobs. Peak UK based employments is expected to occur in Q3 2025, with a total of 1,200 direct, indirect and induced jobs being created as a result of Rosebank production.
- Over the lifetime of the project, Rosebank could generate up to £24.1 billion of gross value add (GVA).
- [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

- Equinor calculate that Rosebank will generate £8.1 billion of direct investment, of which £6.3 billion is likely to be invested in UK-based businesses.

2. Environmental impact

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Annex F – Electrification

Power generation, which typically comes from gas and diesel generators offshore, accounts for around two-thirds of an installation's emissions (NSTA).

- Electrification seeks to replace that generation with clean electricity via renewables, though it is costly and technically challenging.
- NSTA have stated that the goals of the North Sea Transition Deal (NSTD) committing the industry to a 50% cut in emissions by 2030, cannot be met without reducing power-related emissions significantly. For existing assets, electrification is viewed as the only option to meet those goals.
- There are various electrification options discussed by industry, with the three most viable options potentially being:
 - power from shore, whereby the O&G installation would be connected directly to the onshore grid via a cable link;
 - power from interconnectors, whereby a direct cable link would be established between the O&G installation and the national grid of another country); and
 - power from offshore wind farms, comprising a direct connection between existing or planned offshore wind farms and O&G installations.
- However, there remain a number of technological, commercial and regulatory approaches still to be resolved on any final solution.

Equinor is yet to decide on the means of electrification for Rosebank, though it has publicly stated that it will invest £80 million on the Knarr floating production, storage and offloading unit (FPSO) electrification ready.

- Using lower-carbon electricity is expected to drastically slash the emissions intensity of the field to 3kg of CO₂ per barrel of oil equivalent (boe), well below the UK benchmark of 20kg CO₂/ boe in 2020.

Innovation and Targeted Oil and Gas (INTOG) offshore wind leasing round.

We are committed to ensuring secure, reliable and affordable energy supplies within the context of long-term decarbonisation of energy generation.

- The transition to net zero will require rapid decarbonisation across the energy sector including Scotland's long-standing oil and gas industry.
- Innovation and Targeted Oil and Gas decarbonisation (INTOG) offshore wind energy leasing and sectoral marine planning process is unique and a world's first aimed at supporting decarbonisation of oil and gas assets.
- We welcome the Crown Estate Announcement made on the 24 March 2023 of the successful 13 INTOG applicants, which will be offered exclusivity to develop offshore wind in Scotland's seas.
- The area of seabed covered by the IN projects is just over 139km² and by the TOG projects 1534km², and the Exclusivity Agreements will cover projects with a proposed capacity of up to 499MW for IN and 5GW for TOG.
- INTOG projects will help deliver the oil and gas sector's decarbonisation targets in the NSTD.

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Annex G – Offshore Wind Top Lines

Scotland’s natural resources, which include strong and consistent wind resource, along with our established expertise in oil and gas, skilled offshore workforce, excellent port structure and strong innovation hub, make Scotland one of the best places in the world to develop offshore wind and its supply chain.

- As of December 2022, Scotland has 2.2 GW of operational offshore wind. In the pipeline there is 2.8GW under construction, 1.1GW awaiting construction, and 4.2 GW of projects in planning ahead of the ScotWind and INTOG projects.
- ScotWind reflects very significant market ambition for offshore wind in Scottish waters – almost 28GW across 20 projects, and the INTOG leasing round could add a further 5.5GW of capacity.
- This means that subject to planning and consenting decisions and finding a route to market, we have a current reported potential pipeline (subject to change) of over 38 GW of offshore wind projects.
- When projects which are awaiting construction, under construction or already operational are added to this the total potential capacity reaches over 40GW – the equivalent to produce enough electricity annually to power every home in Scotland for 17 years, or every home in the UK for over a year and a half.
- Our Offshore Wind Policy Statement (2020) set out the Scottish Government’s ambition for 8-11 GW of offshore wind in Scotland by 2030. We recognise that this now needs to be reviewed in light of the market ambition expressed in response to the ScotWind leasing round. We are using the draft Energy Strategy and Just Transition Plan (ESJTP) to consult on increasing this ambition. We are also consulting on setting an ambition for 2045.

The Innovation and Targeted Oil and Gas (INTOG) offshore wind leasing round is the next step in realising another world leading opportunity for Scotland’s energy transition: helping both decarbonise our existing oil and gas operations while helping our offshore wind sector to expand, innovate and deliver on our ambition to be a renewables powerhouse.

- Crown Estate Scotland announced on 24 March 2023 the 13 projects out of a total of 19 applications that have been offered Exclusivity Agreements in the leasing round.
- The announcement from Crown Estate Scotland not only indicates that INTOG will provide a significant contribution to the public purse but ensure the continuing growth and development of Scotland’s offshore expertise and wider supply chain, supporting a true just transition for our energy sector.

The conclusion of the ScotWind offshore wind leasing auction and the clearing process is a huge vote of confidence in Scotland.

- ScotWind is the first devolved leasing round for offshore wind development in Scottish Waters, and the first leasing round in Scotland in a decade. ScotWind is the world's largest commercial round for floating offshore wind and puts Scotland at the forefront of offshore wind development globally.
- ScotWind reflects very significant market ambition for offshore wind in Scottish waters - almost 28GW across 20 projects, and has delivered over £750m in revenues to the public purse in initial lease option awards.
- In addition, ScotWind will raise several billion pounds more in rental revenues when projects become operational.
- ScotWind promises to be transformational in delivering wider economic supply chain benefits to help power Scotland's green recovery in communities across Scotland. We welcome the commitment of developers to invest an average projection of £1.4 bn in Scotland per project, which equates to more than £28bn across the 20 ScotWind offshore wind projects.
- We are working to realise ambitions for the offshore wind supply chain in Scotland through The Scottish Offshore Wind Energy Council (SOWEC). The Offshore Wind Collaborative Framework Charter, announced in May 2022, will help forge effective partnerships to deliver on supply chain potential.
- Industry, development agencies, and SG have been working together to develop a Strategic Investment Model (SIM) which will facilitate delivery of the commitments agreed in the Collaborative Framework Charter in line with the 2021 Strategic Investment Assessment recommendations.

Annex H - Biographies



Anders Opedal, President and CEO, Equinor – since 2 November 2020

Opedal joined Equinor in 1997. From 2018-2020 he held the position as Executive Vice President Technology, Projects and Drilling. From August to October 2018, he was Executive Vice President for Development, Production Brazil and prior to this Senior Vice President for Development, Production International Brazil. He also held the position as Equinor's Chief Operating Officer. In 2011 he took on the role as Senior Vice President in Technology, Projects and Drilling; where he was responsible for Equinor's NOK 300 billion project portfolio. From 2007-2010 he served as Chief Procurement Officer.

He has held a range of technical, operational and leadership positions in the company and started as a petroleum engineer in the Statfjord operations. Prior to Equinor, Opedal worked for Schlumberger and Baker Hughes.

Education: MBA from Heriot-Watt University and master's degree in Engineering



(sivilingeniør) from the Norwegian Institute of Technology (NTH) in Trondheim.

David Cairns, Vice President Political and Public Affairs, Equinor.

After joining the FCO in 1993, David Cairns served in Japan as Second Secretary Commercial and in Geneva as the Head of the World Trade Organisation (WTO) Section. He has also held a number of positions based in London.

From 2015 -2019, David was the UK Ambassador to Sweden. In 2019, David took up his current role as VP President Political and Public Affairs at Equinor.



Marit Berger Rosland

Marit Berger Røsland is a Norwegian politician for the Conservative Party. She served as Norway's Minister of European Affairs from 2017 to 2018, as a member of Solberg's Cabinet.

Marit is a lawyer in Equinor's legal department and also chair of Norwegian Institute for Human Rights.

In response to item 17) 08/11/2023 Scottish Parliament meeting with Equinor UK Ltd, Humza Yousaf MSP (First Minister), Lobbying Register

1. Note – FM meeting with Equinor and [Redacted – (Not in Scope)] 8 November 2023

Meeting between Arne Gürtner (Senior Vice President, Equinor), [Redacted – (Not in Scope)] and the First Minister, 8 November 2023.

- The FM noted the context to the meeting being correspondence received expressing disappointment in the Scottish Government's response to the consenting of the Rosebank field. He set out that this response reflected concerns around the rigour of the UK Government's climate compatibility checkpoint approach in the context of domestic and global climate obligations and lack of clarity around energy security implications when oil is mainly exported.
- The FM also noted a shared recognition of the need for the energy transition to be just and the clear understanding on part of Scottish Government that this could only be realised in partnership with industry. He challenged current attendees, and the oil & gas industry more widely, to set out more detail on what it's contribution to the transition would look like in practice.
- Industry attendees noted that their concerns around the Rosebank response were around consistency and tone. They also set out concerns that both the North Sea oil & gas and offshore wind sectors were currently in states of crisis, meaning that signals at this time were particularly important for investor confidence. In response to the FM's challenge, they expressed the view that the pace of transition away from fossil fuels should be set from the demand side. They also noted that oil & gas produced from the UK Continental Shelf only comprises a small percentage of global production and that many of the companies involved could easily move elsewhere, with associated impacts for supply chain businesses.
- The FM agreed with the points around the importance of investor confidence, the need for fundamental market reform in support of the energy transition and focussing on supply chain companies. He also agreed that reducing demand for fossil fuels was a vital element of transition, but queried whether the evidence was clear that this would be enough to deliver on global climate goals. He set out responding to the climate crisis must be the key overall priority, given the severity and existential nature of the challenge it poses.
- Attendees welcomed the meeting and agreed to maintain open lines of communication.

ENDS

2. Briefing – 08112023 – First Minister – [Redacted – (Not in Scope)] and Equinor

BRIEFING FOR THE FIRST MINISTER

Meeting with [Redacted – (Not in scope)] and Equinor

08/11/2023

| | |
|----------------------------|--|
| Key message | <ul style="list-style-type: none">• We are committed to a just transition for Scotland's energy sector.• That means simply stopping all future oil & gas activity overnight would be wrong. We have never suggested this should be the case. It could threaten energy security while destroying the very skills we need to transition to the new low-carbon economy.• However, we must also acknowledge the reality and urgent imperative of responding to the global climate crisis. Any further extraction and use of fossil fuels must be consistent with Scotland's climate obligations and Just Transition commitments. |
| What | Meeting with [Redacted – (Not in Scope)] and Arne Gürtner of Equinor |
| Why | To discuss the Scottish Government response to Rosebank. [Redacted – (Not in Scope)] wrote to you on 2 October (Annex F) following comments made regarding Rosebank. You responded on 3 October and agreed to a meeting to discuss further. |
| Who | First Minister [Redacted - (Not in Scope)] Arne Gürtner, SVP UK & Ireland offshore Equinor |
| Where | First Minister's Office, Scottish Parliament |
| When | Wednesday 8 November 2023, 13:15 – 13:45 |
| Likely themes | Scottish Government position on offshore oil and gas licensing and the impact of this on industry. |
| Media | N/A |
| Supporting official | Susie Townend, Interim Deputy Director, Energy Industries [Redacted Regulation 11(2) – (personal data of a third party)] |
| Attached documents | Annex A - Meeting Summary Annex B - Lines to Take Annex C - Equinor Background Annex D – [Redacted-Not in scope] Annex E - Biographies Annex F - [Redacted -Not in scope] |

| | |
|--|--|
| | <p>Annex G – FM response to [Redacted – (Not in scope)]and Equinor – 3 October</p> <p>Annex H – [Redacted -Not in scope]</p> |
|--|--|

Annex A – Meeting Summary

Summary and background:

Equinor and [Redacted – (Not in scope)] are the two main companies involved in the Rosebank oil & gas field license. [Redacted – (Not in scope)] wrote to you on 2 October following your comments expressing disappointment at the approval of the field and asked to meet to discuss this further. As Equinor is the key partner in Rosebank, it was proposed that a joint meeting would be beneficial.

Recent Engagements:

10 August 2022: Former FM met with Anders Opedal, Equinor following the publication of the economic analysis for Rosebank.

2 May 2023: You had introductory meeting with Anders Opedal, Arne Gürtner and David Cairns of Equinor.

6 September 2023: Short meeting between Minister for Energy and Environment and Equinor.

[Redacted -Not in Scope]

Sensitivities:

[Redacted Regulation 10(4)(e) – (Internal communications)]

- On 05 November the UKG announced the intention to change offshore oil and gas licensing, with a new Bill in Kings Speech (7 Nov), requiring the NSTA to invite applications for new production licenses on an annual basis. A round will only take place if two “net zero transition” tests are met: 1) The UK must be projected to import more oil and gas from other countries than it produces at home; 2) carbon emissions associated with UK gas production are lower than the equivalent emissions from imported liquefied natural gas.

TOP LINES

We are committed to a just transition for Scotland's energy sector.

- That means simply stopping all oil & gas production overnight would be wrong. It could threaten energy security while destroying the very skills we need to transition to the new low-carbon economy.
- We also recognise and welcome the contribution the oil & gas sector has made to Scotland's economy and society.
- However, any new extraction of fossil fuels must be consistent with Scotland's climate obligations. It must also ensure a planned and fair transition that leaves no one behind.
- Through our draft Energy Strategy and Just Transition Plan, we have set out a clear pathway to both deliver on global emissions reduction commitments and capitalise on the enormous opportunities offered by becoming a net zero economy.
- With so much at stake, it is vital that we take an evidence-based approach to the energy transition.
- That is why we are calling for a robust and transparent climate compatibility test to be applied to all new oil & gas developments.
- We have recently published analysis of consultation responses on the draft Strategy and Plan and are committed to publishing a final version by next summer.
- Our focus, as outlined in the draft Energy Strategy, is on meeting Scotland's energy security needs, reducing emissions and ensuring a just transition for our oil and gas workforce as North Sea resources decline.

Decisions on oil and gas exploration and licensing remain reserved to the UK Government.

- We have previously called on the UK Government to hold a four nations' discussion to agree the Climate Compatibility Checkpoint process – a call which was ignored.

CHANGES TO UKG OFFSHORE LICENSING PROCESS

We continue to be disappointed by the lack of engagement and consultation by UK Ministers on changes to the oil and gas licensing process.

- Decisions on oil and gas exploration and production remain reserved to the UK Government. However, these decisions have huge implications here in Scotland and also globally.
- Both the new proposals and previous announced arrangements for UK Climate Compatibility Checkpoints lack both transparency and rigour. We are left with no alternative but to conclude the UK Government simply isn't serious on climate.

- We call, again, on the UK Government to hold a four nations discussion to agree a robust approach to Climate Compatibility Checkpoints for the oil and gas sector.
- Instead of licensing ever more fossil fuel extraction, now apparently on an annual basis, the UK Government should be encouraging investment in renewables to support our energy security and supporting a just transition for our energy sector and for Scottish households and businesses.

[Redacted Regulation 10(4)(e) – (Internal communications)]

'WINDFALL' AND INVESTMENT ALLOWANCE TAX ANNOUNCEMENT

The changes announced in June by the UK Government to the Energy Profits Levy (EPL) were brought in with no consultation or engagement with Scottish Ministers, and significantly lack detail on how the Energy Security Investment Mechanism proposal will be implemented.

- Our view at present is that the EPL's investment allowance [which will continue to operate until 2028 or prices fall significantly] doesn't do enough to future-proof energy supplies and promote green energy.
- I would be interested in your own views on what would be the most effective levers to incentivise investment in renewables.

JUST TRANSITION & NORTH SEA JOBS

Independent analysis conducted by EY shows that GVA and employment in oil and gas sector is forecast to decline in line with the North Sea basin decline. However, it also shows the considerable economic opportunity from renewable energy to Scotland's economy.

- We need to harness the skills, talent, and experience located in the North East to support the buildout of low carbon technologies in Scotland. The Scottish Government is absolutely committed to a just transition, and ensuring we take workers with us on our journey to net zero.
- With the right support, the number of low carbon jobs is modelled to rise from 19,000 in 2019 to 77,000 by 2050 as the result of a just energy transition, delivering a net gain in jobs across the energy production sector overall.
- In addition to energy production jobs, we expect significant potential for employment and economic benefits from the wider economy as we move to net zero – throughout transport, heat, and manufacturing sectors.
- Our world leading ScotWind leasing round is a key part of this. We strongly welcome commitments made by the successful developers to invest an average projection of £1.5 billion in Scotland per project, which equates to more than £28 billion across the 20 projects and will help create thousands of new jobs.

- The Scottish government is absolutely committed to a just transition - and we are not waiting - we are already acting, for example, through our ten year £500 million just transition fund, taking workers with us on our journey to net zero and working alongside trade unions.
- I would welcome more detail, including milestones on the pathway to a net-zero emissions economy by 2045, for how your companies are supporting Scotland's just transition.

SUPPLY CHAIN

The Scottish Government is committed to supporting our oil and gas supply chain transition.

- In relation to Rosebank, Ithaca have stated that: "Project management and engineering activities will be performed mainly from Aberdeen and tree systems will be manufactured in Dunfermline".
- The Scottish Government welcomes this. Our oil and gas workers, and their vital skills, will be essential to the transition.
- We also welcome the 50% UK content target agreed with industry in the North Sea Transition Deal.
- The oil and gas sector has a critical role to play in supporting the energy transition. Supporting its diversification into low carbon and renewable energy sectors is key to ensuring capacity is retained and developed in the service of Scotland's energy transition.
- Scotland's oil and gas supply chain already has expertise and experience which can service a low carbon and renewable offshore energy sector at home and abroad.
- On 17 October the First Minister announced up to £500 million investment to leverage private investment in ports, manufacturing and assembly work to support major supply chain opportunities to Scotland.
- The acceleration of our offshore renewables capabilities over the coming decade presents enormous economic opportunities which must be seized in order to secure a just transition for our energy sector and a fairer, greener Scotland for everyone.
- As part of the £500 million Just Transition Fund for North East and Moray, the Scottish Government has awarded the Energy Transition Zone £9.8 million to deliver an Energy Transition Fund and Supply Chain Pathway.

SKILLS

Our oil and gas workers, and their vital skills, will be essential to the transition.

- We need to harness the skills, talent, and experience located in the North East to support and accelerate the buildout of low carbon technologies if Scotland to realise the full benefits of the energy transition.
- Robert Gordon University's most recent report 'Powering Up The Workforce' (2023) shows that Scotland has enormous energy potential – with a workforce 'goldilocks

zone' between 2024 and 2028 when the supply chain capability can be developed so that the transferability of the offshore energy workforce is optimised.

- Previous RGU research (2021) highlighted that a majority of offshore workers could be delivering low carbon energy by 2030 and that more than 90% of the UK's oil and gas workforce have medium to high skills transferability – they are well positioned to work in adjacent energy sectors.
- RGU's Making the Switch report (2022) highlights the potential for the North East region to become a net zero global energy hub that supports existing oil & gas roles into the renewables and low carbon roles of the future.

Our £500m Just Transition Fund is providing financial support to help energy workers reskill and to build confidence in the potential for a just transition.

- As part of this Fund, we are backing a new energy transition skills hub which will train 1000 people in the next 5 years.
- Indeed, the UK Government has refused to even match our £500 million Just Transition Fund, despite the over £400 billion (in today's money) that has flown to the Treasury from North Sea oil since the 1970s.
- Our National Strategy for Economic Transformation sets out our ambition that, by 2032, Scotland will be an international benchmark for how an economy can transform itself, de-carbonise and rebuild natural capital.

Annex C - Equinor Background

Equinor (formerly StatOil) is a Norwegian multinational energy and petrochemicals company with worldwide revenues of £72.8 billion (approx. US\$90.9). With 21,936 people employed worldwide in 2022 and more than 650 employees in the UK. The Government of Norway owns 67% of Equinor.

- [Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]
- Are a vertically integrated company – i.e. it is active in exploration, production, refining, distribution, petrochemicals and trading. Equinor is present in around 30 countries around the world, operating in North and South America, Africa, Asia, Europe - and Norway.
- Equinor have three recently onstream projects in the UKCS: Mariner, Utgard and Barnacle. Mariner production began in 2019, with over \$7.7 Billion of investment supporting an estimated 700 jobs.
- Equinor every year typically supplies 20-22 Billion cubic metres of natural gas to the UK which covers 27% of UK gas demand. This supply comes both from Equinor's operations both on the UKCS and the Norwegian Continental Shelf (NCS).

[Redacted Regulation 10(5)(e) – (confidentiality of commercial information)]

Recent Developments

- **16th June 2022** – Equinor announced Q3 2023 results showing that it had made a post-tax profit of \$2.73 billion. This is down from \$6.72 billion in post-tax profits reported from the same quarter last year, but up slightly from the \$2.25 billion reported last quarter. Equinor attribute this to the fall in natural gas periods from the highs of last year.
- **30th October 2023** – Equinor announced that it has signed a new five-year long supply agreement with Germany's major energy company RWE.
- **30th October 2023** – The North Sea Transition Authority (NSTA) awarded 27 new hydrocarbon exploration licenses. Equinor has been named as one of the successful bidders (Reuters (2023): UK regulator awards 27 oil, gas exploration licenses).

Equinor role in Rosebank

- Rosebank reached Final Investment Decision in September 2023. Rosebank is owned by Equinor (80%) and [Redacted – (Not in scope)] (20%), after Equinor doubled its share by buying Suncor's UK business, including their 40% stake in Rosebank. Gas from this field will be exported via a new build 85 km pipeline tied into the existing West of Shetland Pipeline System (WoSPS) onwards to the Sullom Voe Terminal (SVT). Over the course of its 25 year lifespan, Rosebank is currently expected by Wood Mackenzie to produce a total of around 324 millions of barrels of oil equivalent (mmboe), which is the combined measure for both

liquids and gas production, comprised of 299 mmboe of oil and 25 mmboe of gas (92.5% oil, 7.5% gas).

- Media reports since Rosebank approval have suggested that Equinor's ownership and the tax allowance structures around UK licensing mean that much of the economic benefit from Rosebank will flow to the Norwegian Government.

Equinor's Energy Transition Plan

- Equinor commits to: reducing operated greenhouse gas emissions by 50% by 2030, from a 2015 baseline; reducing the net carbon intensity, including emissions from the use of sold products, by 20% by 2030 and 40% by 2035; Allocating more than half of their gross capital expenditure to renewables and low carbon energy by 2030 (from 14% in 2022); and deploying renewables, CCS and hydrogen while improved the carbon and methane efficiency of oil and gas production.

Equinor, Offshore Wind and Low-Carbon Solutions

- Equinor operates three windfarms in the UK: Sheringham Shoal, Dudgeon and Hywind Scotland. Hywind Scotland was the world's first floating offshore wind farm, powering the equivalent to 36,000 homes in the UK.
- The Dogger Bank offshore windfarm is due to be completed in 2026 when it will then power the equivalent of 6 million UK households.
- Equinor currently has 749 MW of installed offshore wind capacity in the UK, and has the ambition to power the equivalent of 7 million UK homes by 2030.
- In Aberdeenshire in Scotland, Equinor is collaborating with SSE Thermal to develop the proposed 910 MW Peterhead Carbon Capture Power Station, which could be operational as early as 2027. This could capture on average 1.5 MtCO₂ per year, 5% of the UK Government's 2030 target for CCS.
- Equinor have a 33.3% stake in the Norwegian Northern Lights CCUS project. The first phase of the Northern Lights Development with a storage capacity of 1.5 million tonnes per annum is 80% funded by the Norwegian government and is part of the Longship Project. Carbon capture and storage operations are scheduled to begin in 2024.

Annex D
[Redacted – (Not in scope)]

[Redacted – (Not in Scope)]

Arne Grtner, Equinor Senior Vice President UK and Ireland



Based in Equinor’s UK operations headquarters in Aberdeen, Arne leads an organization of more than 1000 employees currently supporting Equinor’s UK and Ireland upstream activities. These include the Mariner development on the United Continental Shelf, which started production in August 2019 cross UK-Norwegian border developments including the Utgard and Barnacle fields, as well as a partner-operated interest in the Corrib gas field in Ireland.

As well as a board variety of leadership roles across Equinor, including his previous position of VP for Technical Excellence in a global business function, Arne has been leading a large variety of disciplines ranging from environmental, drilling and petroleum technology within research and technology as well as operations on the Norwegian Continental Shelf.

He holds a PhD in marine technology from the Norwegian University of Science and Technology.

Annex F: [Redacted – (Not in scope)]

[Redacted – (Not in scope)]

Annex G: First Minister response to Equinor and [Redacted – (Not in scope)]

3 October 2023

Dear Arne and [Redacted – (Not in scope)],

Since the approval of Rosebank last week, there has been significant media and political interest in the Field and how it will support Scotland and the UK's energy security needs, supporting jobs and continued investment in the energy supply chain.

I have always maintained that Scotland's focus must now be on meeting our energy security needs, reducing emissions and delivering affordable energy supplies, whilst ensuring a just transition for our oil and gas workforce as North Sea resources decline. To achieve that, we need to harness the skills, talent and experience located in the North-East to support the build-out of net zero technologies in Scotland. We are already acting, for example, through our 10-year £500 million Just Transition Fund for the North East and Moray, to enable that transition.

The Scottish Government recognises the role that Scotland, and particularly the North East, can play in ensuring that we continue to be at the forefront of energy transition across the world. That is why we welcome the work conducted by companies operating across the oil and gas sector to diversify into low carbon and renewables.

The role of companies such as Equinor and [Redacted – (Not in Scope)] operating in the oil and gas sector, will be essential in making a just transition possible. We remain committed to a net zero future, and we will use every power at our disposal to support sustainable economic growth and maximise the opportunities of the green economy.

I would be pleased to meet with you both to discuss further. Please liaise with my Private Secretary at FirstMinister@gov.scot who will assist in identifying a mutually convenient date.

Annex H: [Redacted – (Not in scope)]

[Redacted – (Not in scope)]